Daily Report

Latin America

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Group of 8 Foreign Ministry Officials Meet

PY0209025188 Buenos Aires DYN in Spanish 1926 GMT 1 Sep 88

[Text] Buenos Aires, 1 Sep (DYN)—The deputy foreign ministers and Foreign Ministry under secretaries of the countries comprising the Group of Eight opened a meeting in Buenos Aires today. The objective of the meeting is to draft a document to be studied at the foreign ministers meeting to be held on 30 September in New York. The latter will be held to prepare for an upcoming Group of Eight presidential summit.

Foreign Ministry officials from Brazil, Colombia, Mexico, Peru, Venezuela, Uruguay, and Argentina are meeting at the Foreign Ministry building. According to diplomatic sources, the meeting will close on 3 September.

The document to be drafted will include the basis for the presidential summit which is scheduled to be held in Punta del Este, Uruguay from 27 to 29 October.

Representatives from Panama, which is also a Group of Eight member, are not attending this meeting in view of the domestic situation that has affected this country since February, when President Eric Delvalle was ousted.

Meeting Closes

PY0309022288 Buenos Aires TELAM in Spanish 0103 GMT 3 Sep 88

[Text] Buenos Aires, 2 Sep (TELAM)—The meeting of deputy foreign ministers and of Foreign Ministry under secretaries of Latin American countries that comprise the permanent consultation and political consensus mechanism known as the Group of Eight ended today in Buenos Aires.

Representatives from Brazil, Colombia, Mexico, Peru, Venezuela, Uruguay, and Argentina held meetings at the Argentine Foreign Ministry building. They discussed issues to be taken up by Group of Eight foreign ministers in New York during a meeting scheduled for 30 September.

During the meeting in New York, the Group of Eight foreign ministers will draft documents that will be the basis for the upcoming Group of Eight presidential summit to be held in Punta del Este, Uruguay, from 27 to 29 October.

During the Group of Eight presidential summit different points of view on the foreign debt situation will be discussed. The objective of this study is for countries in the region to achieve a common position regarding the foreign debt issue on the basis that it undermines development.

In addition to the foreign debt, issues dealing with trade, financing to achieve development, drug trafficking, North-South relations, and the Central American crisis will also be discussed during the presidential summit.

Commission Proposes C.A. 'Marshall Plan'

PA0509193488 Panama City ACAN in Spanish 1329 GMT 2 Sep 88

[Text] Guatemala City, 2 Sep (ACAN-EFE)—The Commission for the Reorganization and Development of Central America, comprising 18 Latin American and European countries and the United States, proposed a "Marshall Plan" for the region in Guatemala City last night.

The nongovernmental organization initiated studies to further Central America's development in Washington recently. The commission's delegates held a closed-door meeting with Central American representatives in a Guatemala City hotel.

The Secretariat of Central American Economic Integration (SIECA) coordinated the meeting, during which regional priority studies were presented.

SIECA spokesman Eduardo Bolanos told ACAN-EFE that the multinational organization "plans" to reactivate the regional economy with international financial support.

Without mentioning amounts, Bolanos added the countries in the commission "want to implement a plan similar to the Marshall Plan that will benefit the five Central American countries."

The SIECA official added: "The development programs must be jointly presented by the region's nations to the organization, which comprises 18 countries."

According to the economic cooperation plan for Central America, the region's priorities deal with food supply problems, fuel security, the foreign debt, assistance to refugees, and the creation of an emergency plan for economic reactivation.

For that joint program, the United Nations has already approved $4.37 million, Bolanos recalled.

The basic document states that "the Third World countries have experienced the serious effects of the world economic, financial, and political crisis very deeply, which has caused unemployment, hunger, poverty, misery, and desperation."

The document describes the Esquipulas II agreement, signed by the Central American presidents in Guatemala on 7 August 1987, as an important step on the road toward peace.

Cuba

Foreign Ministry Denies Talks With UNITA

FA0309172888 Havana International Service in Spanish 1600 GMT 3 Sep 88

[Text] The Cuban Foreign Ministry has denied statements by U.S. spokesmen concerning possible talks between Cuban officials and UNITA [National Union for the Total Independence of Angola] representatives regarding the unconditional release of two Cuban pilots, who were being held by the aforementioned Angolan counterrevolutionary organization.

The Cuban Foreign Ministry document states that, just as it was reported at the time, with the humanitarian cooperation of the Ivory Coast Government, UNITA unconditionally released the two Cuban pilots captured 10 months earlier when the plane in which they were flying was downed over Angolan territory while carrying out a reconnaissance mission.

The document stressed that during the meetings leading to the release of the prisoners, the Cuban officials had to get in touch with UNITA representatives, but that those meetings, although respectful and courteous, were limited to discussions regarding the necessary steps for the turnover of the two pilots.

Southwest Africa Quadripartite Talks To Resume

Dos Santos Meets Delegation

FL0609113288 Havana Tele-Rebelde Network in Spanish 1100 GMT 6 Sep 88

[Text] Jose Eduardo dos Santos, president of Angola, received the Cuban delegation to the quadripartite talks for a solution to the conflict in southwest Africa.

The meeting between the Angolan leader and the Cuban delegation, which is headed by Carlos Aldana, member of the PCC Central Committee, included bilateral consultations for the negotiating process which will continue today in Brazzaville.

During the meeting between President dos Santos and the Cuban delegation, a full ("identity) of opinions was reiterated by the two parties, whose relations develop in a climate of fraternal and close cooperation.

The Cuban delegation made a brief stopover in Luanda, and they plan to depart for Brazzaville early today.

Groups Arrive in Brazzaville

FL0609132088 Havana Tele-Rebelde Network in Spanish 1250 GMT 6 Sep 88

[Text] The Cuban and Angolan delegations to the round of negotiations on southwestern Africa arrived today in Brazzaville, capital of the Congo.

The fifth negotiations meeting on the southwestern Africa conflict began last 24 August in Brazzaville and will resume in this capital tomorrow, 7 September. It was reported that the U. S. delegation, which is a mediator in these negotiations, has been in the Congo for two days. The South African representatives will arrive this afternoon.

The Cuban delegation is headed by Carlos Aldana, member of the PCC Central Committee Secretariat; it also includes Division General Ulises Rosales del Toro, chief of the FAR General Staff, and (Jorge Arbesu), a departmental deputy chief of the Central Committee.

Angolan State Security Minister Arrives

FL0209174588 Havana Tele-Rebelde Network in Spanish 1700 GMT 2 Sep 88

[Text] Colonel Kundi Paiama, member of the Political Bureau of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party and minister of state security and state control of the People's Republic of Angola, arrived in Cuba last night on an official and working visit.

The colonel and his delegation were met at the airport by Division General Jose Abrantes Fernandez, interior minister, as well as other high-level officials of the Minint [Interior Ministry] and the FAR.

Also present at the airport was His Excellency Dokui de Castro, Angolan ambassador to Cuba.

During his stay in our country, the distinguished visitor will carry out an extensive program of activities and meetings.

Meets With Abrantes

FL0309120388 Havana Radio Progreso Network in Spanish 1100 GMT 3 Sep 88

[Text] Colonel Kundi Paiama, minister of state security and state control of Angola, is paying an official and working visit to the country. The visitor met yesterday with Division General Jose Abrantes, minister of the interior.

Castro Speaks at Graduation Ceremony for Doctors

FL0209113788 Havana Tele-Rebelde Network in Spanish 1100 GMT 2 Sep 88

[Text] Commander in Chief Fidel Castro has said that after almost 30 years of imperialist blockade, Cuba has more than 31,000 doctors. He added that these successes are now irreversible.

Fidel gave a speech yesterday in Havana's Karl Marx Theater to the 3,400 doctors who participated in the largest graduation of doctors in the country's history. The graduates are members of the first contingent of the Carlos J. Finlay medical sciences contingent.

Praises Medical Students

FL0209161088 Havana Tele-Rebelde Network in Spanish 1150 GMT 2 Sep 88

[Speech by President Fidel Castro to graduating medical students at Havana's Karl Marx Theater on 1 September—recorded]

[Excerpts] The truth is that you, as the vanguard of this movement, had to pass the test of life, and I believe that you have passed the test of life well. I remember when the first contingent, the one graduating now, was in its 1st year. They were the only students that had uniforms. They would distinguish themselves wherever they arrived. During the 1st year they were in the basic sciences. Later, when they were in 2d year, I would become impatient for the day when the detachment would finish all of the courses in the medical school, and that day has arrived. And the day has arrived in which we have graduated that first contingent, and we know that behind you there are tens of (?thousands) of medical students. [Words indistinct] contingent including the one that begins its classes today. You had to go through the whole experience, from the assemblies in the classes, to have the support and the approval of the collective of students. Likewise, I have been appreciative through these years, because everyone said that there had been a jump in the quality of the medical students. [passage omitted]

I have the firmest hope that you will not think you have finished with your studies in medicine. I would really feel more optimistic if you would realize that it is just the beginning for you. For some, it is beginning in a very serious manner, and with a very great responsibility because I imagine that the ones going to the mountains will be alone. There they do not have the polyclinic close by. There they do not have anyone at hand to ask, and must deal with the problems they are faced with now, in this phase. I believe that in the future, the ones who are going to the mountains will be specialists in integral general medicine because the mountains and the countryside are the only places where, every 2 years, we change doctors. In the city the doctors do not change. We continue to have the same family doctor, and when he graduates as a specialist, he still attends to the population of the city. [passage omitted]

I believe that the fruits of that process are marvelous and impressive, and you are products of that process! We see you today with joy, satisfaction, sympathy, admiration. It makes us happy to be able to say that we have graduated so many doctors, and good doctors, who have been in contact with hospitals since they began. If we graduated as many as were left, more than were left, it is precisely because these miracles are only possible in the revolution. Imperialism thought it was crushing us, leaving us without doctors. It thought that everyone here would die without a doctor! If you do not want soup, you get three cups, goes the saying. Today we are giving imperialism a cup of 3,440 doctors graduating in only one class! [applause]

In the year 2000, two out of every three doctors will come from the Carlos J. Finlay detachment. Two out of every three, and that in a very few years. You should always honor that very worthy name which the detachment bears. You should honor the prestige medicine has attained in our country. You should always preserve the prestige you have attained in these years. We expect that from you.

To conclude, perhaps I have gone on too long on a day when you want to go and celebrate the degree which you have received, or go to work. I want to tell you that we have placed infinite hopes in you [words indistinct] from our hearts. In the name of all of us here, we congratulate you. We wish you great success in your careers and hope that you scale great heights. Fatherland or death, we shall win. [applause]

Malmierca Holds Talks With Yugoslav Leaders

FL0209190188 Havana Radio Reloj Network in Spanish 1702 GMT 2 Sep 88

[Text] Cuban Foreign Minister Isidoro Malmierca met today in Belgrade with Yugoslav leaders, who positively evaluated relations between the two countries. In Malmierca's talks with President Raif Dizdarevic and Branko Mikulic, president of the Federal Executive Council, they exchanged views on the next ministerial meeting of the Nonaligned Movement to be held in Nicosia, Cyprus. The representatives of Cuba and Yugoslavia expressed their mutual desire to continue to help strengthen the presence of the nonaligned nations in the international community.

Malmierca also met with Marko Orlandic, member of the Presidium of the League of Communists, and had two meetings with Budomir Loncar, federal secretary of foreign affairs.

DPRK Thanks Castro for Support on Olympics

FL0509221588 Havana Radio Reloj Network in Spanish 1941 GMT 5 Sep 88

[Excerpt] DPRK Ambassador Pak Chung-kuk has said in Havana that the South Korean Olympic Games go against the spirit of the original Olympics charter, which promotes peace and international friendship. The diplomat from the brother country expressed his gratitude for Fidel's support on having North and South Korea cohost the games. He added that if Pyongyang had acknowledged Seoul as host of the games it would have betrayed the efforts to unify the country.

Pak also referred to the 40th anniversary of the founding of the DPRK, 40 years during which the country, under the leadership of Kim Il-song, has scored great achievements. The ambassador noted that the DPRK people have the defense of independence, reunification of the fatherland, and national unity among their main goals. [passage omitted]

Vietnamese Official Inaugurates Community Center

FL0309183588 Havana Tele-Rebelde Network in Spanish 1700 GMT 3 Sep 88

[Excerpt] Nguyen Thi Dinh, member of the Vietnamese Communist Party Central Committee and the Council of State of Vietnam, inaugurated moments ago the Vietnam House at the Ben Tre community located in Havana Province. The center was restored after it was burned down some years ago. It received all the furniture, curtains, and accessories directly from the Ben Tre Province through the Cuban Committee of Solidarity With Vietnam. [passage omitted]

At Military Unit Anniversary

FL0509134588 Havana Tele-Rebelde Network in Spanish 1100 GMT 5 Sep 88

[Text] A solemn ceremony to mark the 30th anniversary of the creation of the Revolutionary Army's Mariana Grajales squad [as heard] was held at the first women's antiaircraft artillery regiment.

Dozens of youths enlisted in the women's volunteer military service paid tribute to the heroic Mariana women and pledged to be deserving heiresses of their feats and legacies.

Vilma Espin, member of the PCC Central Committee Politburo and president of the Cuban Women's Federation, emphasized that the embrace of two generations of combatants and revolutionaries constitutes a living image of the continuity of the Cuban historical ("process) which has always counted on the strength and passion of women.

Also present at the ceremony were Nguyen Thi Dinh, member of the Vietnamese Communist Party Central Committee and president of the women's union of that country, and Fanny Eldelman, member of the Political Commission of the Communist Party of Argentina and vice president of the Women's International Democratic Federation.

Revolutionary Navy Marks 25th Anniversary

FL0509130388 Havana Radio Progreso Network in Spanish 1100 GMT 5 Sep 88

[Text] The main ceremonies marking the 25th anniversary of the Cuban Revolutionary Navy [MGR], which is celebrated today, were held over the weekend. A message from Army General Raul Castro emphasizes that, as Fidel would point out, the MGR will continue being in every way a navy for the fatherland or death.

Grenada

Opposition Calls for Resignation of Minister

FL0209132788 Bonaire Trans World Radio in English 1130 GMT 2 Sep 88

[Text] Grenadian opposition leader George Brizan is calling for the suspension of Public Works Minister Keith Mitchell because of questions of the cost of a major road project. Mr Brizan also wants an investigation into the project itself which is financed by a European aid agency.

Bishop Movement Leader Leaves on African Tour

FL0509203388 Bridgetown CANA in English 2009 GMT 3 Sep 88

[Text] St George's, Grenada, Sept 3, CANA—Newly-elected leader of the leftwing Maurice Bishop Patriotic Movement (MBPM) in Grenada, Terry Marryshow has left here for a six-nation African tour.

According to INDIES TIMES, the MBPM's newspaper, Marryshow will visit Angola, Zimbabwe, Libya, Ethiopia, Ghana and Uganda. Of the six, Libya is the only country which Grenada fails to recognize diplomatically. It broke ties with the country following the collapse of the Grenada revolution in 1983.

INDIES TIMES said that Marryshow's visit is aimed at renewing contact with these countries of "our motherland" and to express to the struggling people of Africa solidarity from "our people and party." Marryshow is being accompanied on the tour by fellow MBPM executive member, Joseph Carter, who is based in Sweden.

The MBPM is unrepresented in the Grenada Parliament. The party has been named after Bishop, Grenada's Marxist prime minister who was executed five years ago in a palace coup.

Haiti

OAS Human Rights Delegation Continues Work

Thomonde, Hinche Visited

FL0109225488 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 1 Sep 88

[Excerpts] The OAS human rights commission, which arrived in Haiti on 29 August, has been in Hinche in the central plateau since yesterday investigating human rights. Our correspondent in Hinche will give us details.

[Begin correspondent recording, in progress] ...announced yesterday, Wednesday, that the central plateau—mainly Hinche and Thomonde—was visited by David Padilla from the OAS, his driver, and an interpreter. We do not remember the names of the driver and the interpreter.

Padilla contacted people in Thomonde first.

In Hinche he spoke first with the commander of the military department, Colonel Serge David. He then went to Papaye, where he met with 8 of the 10 peasants from Abrio who were manhandled by the Hinche military last week. Several people poured forth complaints, made statements regarding several different cases. (Edwane Saintina) served as spokesman for the victimized peasants. [passage omitted] (Wilner Ely), another peasant acting as spokeman for many other peasants [words indistinct] big landowner macoutes (?are out to) take their lands and fields.

Also, [first name indistinct] Charles [as heard], the Caritas coordinator for the diocese, gave an account of the beating he received from Adjutant Pinasse in Thomonde on 4 December 1987. [passage omitted]

David Padilla refused to make any statements to the press in the absence of the other members of the investigating delegation. However, it seems that a report might be published in several languages in Haiti after the visit. [passage omitted] [end recording]

MDN's De Ronceray Cited

FL0109220888 Port-au-Prince Radio Nationale in Creole 1300 GMT 1 Sep 88

[Excerpts] On Tuesday, 30 August 1988, Professor Hubert de Ronceray and Dominique Joseph, president and assistant secretary general of the Mobilization for National Development [MDN], respectively, met at the Villa Creole Hotel with the OAS human rights commission delegation. [passage omitted]

After a brief introduction (?by) David J. Padilla, the commission's executive secretary, De Ronceray was invited to voice his opinion on four basic questions. [passage omitted]

The MDN leader said he thought the global problem of human rights here in Haiti had to be (?examined) within the dual context of its structural framework and its socio-psychological framework. The colonial system left us with an inegalitarian and an unjust social stratification not at all in keeping with human rights. Professor Hubert de Ronceray spoke of (?our prevailing) value system, (?a system of) arbitrariness, authoritarianism, and despotism; the (?use of brute force) in family relationships, in the relationship between teachers and students, in relations between employers and employees, in the relationship between the rulers and the governed, and so forth. He discussed all these things.

As regards the fate of the 1987 Constitution, De Ronceray observed that this Constitution was ratified hastily in a highly-charged emotional climate, without anyone sitting down and examining its content. He said that although this constitution is a very liberal one, it was violated. It had also been debased by the very people who had drawn it up and that this was done at all levels. Neither did the Constitution prevent preparations for a coup d'etat on 29 November 1987, nor the massacre that occurred on that same date. Aside from all this, De Ronceray believes that the Constitution of 1987 contains both many articles that are not good and many articles that are. Thus, the Constitution should be amended.

Concerning the murders in Haiti, De Ronceray reported that there were acts of violence in Haiti last July. More than a dozen people were found murdered. Among them was Mr Lafontant Joseph, the co-founder of the Haitian Human Rights League. Four young people were also killed in Labadie last 14 August. This added to the dossier, which was already causing concern among many people.

The MDN protests, and demands that an impartial investigation be opened and that the sanctions provided for by law be applied to all the perpetrators of these murders.

As to the MDN's stance on the current difficulties in the democratic process, De Ronceray declared that the MDN has been preaching non-violence and advocating consensus and dialogue since the day it was formed so that Haiti can make progress.

The MDN president concluded his address by calling, by inviting, the OAS to follow the various moments in the Haitian experiment very closely while at the same time throwing the weight of its authority behind all the Haitian people's efforts to start building a new society.

That was a press release from the MDN. Two important officials of this political party met at the Villa Creole Hotel with the OAS human rights delegation that has been in Haiti since last Sunday, 28 August, to see how human rights are faring in Haiti.

Trial of Peasants Arrested in Abrio Begins

FL0509164488 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Sep 88

[Report by correspondent Jacques Clerveau]

[Excerpts] The trial of the eight peasants from Abrio whom the police arrested on 19 August and imprisoned in Hinche, where the military put them through the eye of a needle—beating them, tearing out their beards, and subjecting them to all kinds of other tortures—opened Friday, 2 September, at the Law Courts in Hinche. [passage omitted]

On Friday, 2 September, from 0900 on, the Law Courts in Hinche was jam-packed with people who had come from different parts of Haiti to attend the trial of eight peasants from Abrio whom the Hinche police arrested on Friday, 19 August. [passage omitted]

Because of another trial involving two groups of people from Cerca la Source, the peasants' trial did not begin until 1300 and thus only one of these peasants, (Delius Saintina), had time to tell the doyen of the civil court, Mr (Harry Alexis), what he underwent.

The peasant said that since he had been the victim of many acts of brutality, repression, and humiliation, and since his arm is broken and he will not be any good to anyone for some time, he would like for the court to do whatever is necessary to bring him face to face with those who had accused him, because to this day it is hard to tell if his life is in the hands of his executioners or if it is in the hands of those who brought accusations against him before these executioners. [passage omitted]

According to the doyen and the office of the public prosecutor, there must be an investigation with a view to identifying the people who accused the peasants. However, according to the peasants' lawyer, the peasants are presently charged with being agitators. [passage omitted] The court should settle this matter before conducting an investigation to try to identify all the men who, visibly or invisibly, got together to organize this great misfortune at the expense of the small peasant farmers.

The court adjourned the trial at approximately 1530. It will be resumed on 16 September.

Later, at around 2000, the MPP [Papaye Peasants Movement] held, in the presence of the press, a ceremony of solidarity with its 10 members who have suffered acts of repression. During the ceremony, the MPP presented the 10 peasants with certificates, so that they will always remember the bad moments they were put through by the military, and also so that they will remember other moments yet to come. Each peasant victim also received a "kouto digo" [a curved agricultural tool, used for rooting out weeds], as a symbol of the life for which every peasants works hard daily.

During the ceremony, each peasant made a statement. Let's listen to a few of these statements. [passage omitted containing indistinct portions]

Thus, you have an idea about the ceremony of solidarity held by the MPP for its 10 members who were recently victims of the military in Hinche.

St Lucia

Opposition Calls on Compton To Adopt Drug Laws

FL0209131688 Bonaire Trans World Radio in English 1130 GMT 2 Sep 88

[Text] St Lucian opposition leader Julian Hunte has criticized the St Lucia Government for not proposing legislation to curb drug abuse. Mr Hunte urged Prime Minister John Compton to follow the lead of other Caribbean countries and propose such a law.

Mr Hunte added that in view of the seriousness of the drug problem in St Lucia, he was at a loss to find out why the government seems to drag its feet on the matter.

Correction to PRI Urges Parties on Democracy

The following correction pertains to the item headlined "PRI Urges Parties To Help Preserve Democracy," published in the 1 September Latin America DAILY REPORT, page 6:

column one, paragraph ten, line one: ...[Excerpt] The National Executive Committee... (correcting processing indicator)

column two, paragraph six, line five: ...walk alongside us. [passage omitted] (inserting "passage omitted")

PRI Urges Opposition To Help Keep Democracy

PA0109043888 Mexico City EL DIA in Spanish 29 Aug 88 p 7

[PRI political declaration read by Manuel Camacho Solis, general secretary of the National Executive Committee, at PRI headquarters in Mexico City on 28 August—herewith follows text of item headlined "PRI Urges Parties To Help Preserve Democracy," published on page 6, column 1, of the 1 September Latin America DAILY REPORT]

[Text] The National Executive Committee, at the request of the PRI National Political Coordinating Commission, has asked me to read this political declaration to you.

The PRI is a political organization that has ensured the peaceful transfer of power for the past 6 decades, thus contributing to the maintenance of constitutional order and guaranteeing freedom for the Mexican people, social rights for the majority, and social transformation. As President Miguel de la Madrid said: We will not allow the destruction of the Mexican revolution's system.

The he Mexican revolution's principles and program its doctrine: democracy, nationalism, and social justice. These principles still state the nation's basic consensus and are the foundation for the continued changes demanded by society.

The democratic mandate of 6 July was to strengthen national sovereignty, recover economic growth, improve real salaries, attack poverty at its roots, and peacefully guide the democratic changes of political life. It is based upon this mandate that our victorious candidate for the Presidency of the republic will form his program and his government with the best men and women of the country, to guarantee unity and change.

A part of our political transformation has already taken place: the election results. The people voted wisely, because there is a majority that makes government possible, and there are two important political forces that balance power. This is the people's will. Many of our procedures, rules, and attitudes do not fit in with this new reality. To translate the people's will into institutional reforms, we must create conditions and build new bases. We must do this, however, following one principle: As things are today, there is no difference between the majority party and the opposition parties; we must address each other as equals, openly, and we must respect the institutions of the republic. We may criticize government actions, but we should be democratic in so doing; in other words, we must keep within the rules established in the Constitution.

First, we should discuss how to consolidate the achievements made thus far and then how to seriously establish new goals. It would be a lack of historical vision to attempt to create a political crisis as an apparent means of promoting change when in reality it would nullify the progress made and risk a regression. In a country such as Mexico, no one presently has the right to say the current political situation might ultimately lead, within a few years, to our discussing a return to democracy, when we can consolidate democracy today and make further progress.

The Mexican people must not ruin this opportunity. The PRI is prepared to support the steps that will lead to the constitutional transfer of the executive branch; we are fully assuming our responsibility as a majority, but we want all the political forces in the nation to walk alongside us.

What are those terms?

1. The dialogue is feasible because there are points of agreement on the fundamental issue of acting within the law and opening the path to democratic progress. The fact this is feasible does not mean it will be easy to find points of agreement in political matters of priority interest. To have a lasting political dialogue there has to be a desire to preserve it. It is necessary to set aside the standard attitude that one wants to talk to others, but others are the ones who are intransigent. There must be a political willingness.

We have made some progress. To set up the electoral colleges and install the Chamber of Deputies, parliamentary groups have agreed to avoid confrontation outside the parliament, have appointed the verification commissions, and have made it possible to continue the certification work despite the tense climate. Despite the final viewpoint each one may hold about the results of the agreements, there is no doubt they are all helping to bring about the constitutional requirement of certifying the election and installing the Chamber of Deputies.

At the PRI National Political Coordination Committee we have discussed with the PRI majority groups at the Chamber of Deputies and the Senate a proposal that will be submitted to the two chambers: We should all assume the responsibility that on 1 September the fundamental spirit of the republic—of respect among the powers of the union—shall prevail so that, strictly abiding by that

spirit, the president of the Chamber of Deputies will respond to the sixth report of the president of the Republic as established in the statutes. The statements, in favor and against, will be left for discussion at a plenary meeting after 2 September.

3. [No number 2 as published] Regarding the qualification of the presidential election: We all are very interested in clarifying the final results based on the voting records in strict accordance with the procedures and tests stipulated by law. It is necessary to make a serious effort to resolve differences and to present to the public the detailed resolution of the Electoral College.

4. For the past few years, all political forces and social organizations have expressed their disagreements by protesting in the streets and public places with no fear and in total freedom. Each of us has learned to respect other people's demonstrations, and each of us bears in mind the high cost of not keeping order and avoiding provocations when protesting. We cannot endanger the climate of respect we have already attained.

When violence occurs authorities must act quickly and firmly. They also are dutybound to produce results. However, political forces must bear in mind that making groundless charges is very harmful to democratic coexistence. When facing violence, there can be no complicity or opportunism; there should only be a single agreement: to condemn and reject violence no matter what its purpose may be.

5. Regarding the political agenda for the next few months and years, our party's successful candidate, Carlos Salinas de Gortari, has received a mandate that agrees in part and differs in part with the concerns of large sectors of the opposition and of distinguished intellectuals and political leaders.

The Mexican people's mandate is very clear: to consolidate a gradual and peaceful transition and to [implement] institutional reforms with political pluralism. The fields of action are very broad, and the reforms' importance demands a review with the seriousness the Mexican people demand. It would be a tragedy to lose what we have won; we have already established a foundation. We have a unique opportunity to consolidate the most significant democratic accomplishment the country has ever known. We will do it at a pace determined by the political parties, following the electoral calendar and respecting the citizens' democratic desire. We all know that, despite the indisputable accomplishments, we need to update the political party system and to continue to improve our electoral procedures.

We may have political differences with the opposition, but this does not necessarily mean that political divisions should be equally big. The ruling party and the opposition both have a common obligation to the country, which has entrusted each one of us with specific political roles in this stage of Mexico's history. The Constitution demands that we jointly defend independence and democratic institutions and that we promote economic development and social justice.

6. Under the circumstances the nation is experiencing, we cannot afford to have an institutional crisis or a paralysis in the state that would immediately subject the republic's institutions to threats, hurting our efforts to realize the democratic changes people demand from us today. This is the time to protect the republic.

We are fully convinced that we must consolidate the political renovation process promoted by President de la Madrid and continue advancing at the pace the Mexican people demand in realizing changes that will strengthen pluralism and national unity.

These are our terms.

We realize there are and have always been people who, in a situation of change such as the one Mexico is enduring, can confuse their ambitions, interests, or hatred with the goals of society. Nevertheless, we are also aware that to face this, there have always been and will always be people who do not forget the real consensus established by elections and the overall interest. Obviously, the political struggle progresses and is guaranteed by the de jure state.

If we truly have confidence in what society wants and if we are sure of our proposals, we will be able to perceive the people's desire. We shall set aside any selfish purpose, any impulse to turn the procedures and normal avenues for fulfillment of the Constitution into an occasion to try to force institutions into alternatives alien to the people's desires. The democratic option, on the contrary, is that there should be no reprisals or revenge.

We need to analyze, with all seriousness, the urgency to consolidate our accomplishments and to create henceforth the bases on which new accomplishments will be realized. The PRI proposes to the opposition, before public opinion, to cooperate for the benefit of democratic stability.

Our proposal is based on the confidence we have in our party, in its capacity to renovate our political system, in its sharp perception of feasible goals, in its skills in conflict management and finding points of agreement, and in its most important asset: its decision to unite society to attempt to solve the nation's most urgent and grave problems.

We may find obstacles prior to reaching agreements, or agreements may be reached abruptly and may destroy what had been attained at the beginning. The challenge lies in our capacity to find a political formula that will open the path to progress, within a democratic framework, toward a new phase in Mexico's political history.

Who would benefit by hindering a joint political effort that provides an orderly path for Mexico's current social and political process? Certainly it would not benefit workers, peasants, or their organizations; youth and women; political parties; or the private sector. We all need to continue to count on national leadership, an efficient executive branch, and a mature and responsible working congress. Should this be the case, no one should have any interest in hindering dialogue and joint effort.

Sirs:

This is the PRI proposal. This is the proposal of our successful candidate for the presidency of the republic.

We now give the floor to the leaders of the political interests, the opposition parties, and other leaders. For our part—within the constitutional order, based on principles that will strengthen the institutions and the country's capacity for development, without sacrificing our differences, or allowing the questioning of our legitimate rights—we are willing to reach a national agreement in the next few weeks or months. Society expects us to start a dialogue to prevent political division from growing any further and to consolidate democracy in Mexico.

President Attends Drug Destruction Ceremony

PA0209233788 Mexico City UNOMASUNO in Spanish 29 Aug 88 p 2

[Article by Hector A. Gonzalez and Emilio Vazquez—all figures as published]

[Excerpts] Mexican Defense Secretary Juan Arevalo Gardoqui said yesterday reports from the 36 military zones confirm the peace and tranquillity prevailing throughout the country and confirm that disorders on the eve of the president's state of the nation address are not expected.

In answer to two questions asked during a ceremony in which over 2,000 tons of cocaine were burnt, Defense Secretary Arevalo Gardoqui said: "The presence of the 36 military zone commanders at this ceremony proves the tranquillity prevailing throughout the country." [passage omitted]

The destruction of the 2,000 kg of cocaine and 7 kg of heroin was presided over by President Miguel de la Madrid, who was accompanied by Mexican Attorney General Sergio Garcia Ramirez and Jose Maria Ortega Padilla, general supervisor of the Attorney General's Office Technical and Crime Department.

Simultaneously, over 36 tons of marijuana were being burnt at a ceremony presided over by Mexican Defense Under Secretary Marco Antonio Guerrero Mendoza and Mexican Assistant Attorney General Luis Porte Petit at the Defense Secretariat firing range in San Miguel Jagueyes, Huehuetoca municipality, Mexico State. [passage omitted]

In an assessment of the current government's actions in the struggle against drug trafficking, the Defense Secretariat pointed out that "Operation Mars" and 21 other actions throughout the country have resulted in the destruction of 11,932 tons of marijuana, 6,000 kg of cocaine, almost 500 poppy seed plantations of over 40,000 hectares, and 306,000 marijuana plantations of 42,000 hectares. [passage omitted]

Finance Secretariat Report on Debt Payments

FL0209152788 Mexico City NOTIMEX in Spanish 1653 GMT 1 Sep 88

[All figures as received]

[Text] Mexico City, 1 Sep (NOTIMEX)—Mexico has designated a total of $9,375,500,000 to service its foreign debt. The Mexican Finance and Public Credit Secretariat has said that the amount is equivalent to 79.7 percent of the actual amount of the country's international reserves.

In an official communique, the secretariat said the payments were made during the first half of the present year and they are 18 times greater than the income derived from the sales made by 116 parastate industries up through the month of June 1988.

In national currency, the amount of resources sent abroad in payment of interest and amortization of the foreign debt rose to 20.9 trillion pesos during the first half of the year. The Finance Secretariat indicates that the actual value of sales from the 116 parastate firms totals 1,000,320,240,000 pesos.

The secretariat points out that of the $9,375,500,000 paid between January and June 1988, 66 percent—equal to $6,196,800,000—was applied to amortization. The remaining 34 percent was applied to interest.

In accordance with the payment program established with creditor banks, the total service on the Mexican foreign debt this year will increase to $14,683,000,000, between interest and amortization. Through the first half of this year, the payments made represent 63.8 percent of this amount.

The total payment made on the foreign debt during the current government's term in office increased to $82,445,700,000. From 1983 to the first half of 1988, the total amount paid on interest increased to $51,611,000,000, while amortization payments rose to $30,834,700,000. This did not prevent an increase in the net amount of the country's foreign debt.

Costa Rica

Arias Shuffles Cabinet, Says Economy Improves

PA0309020088 San Jose Radio Reloj in Spanish 0110 GMT 3 Sep 88

[Excerpts] After 27 months in office, Costa Rican President Oscar Arias has announced several changes in his cabinet. The changes include the resignation of Planning Minister Otton Solis and Deputy Government Minister Pablo Rodriguez and Foreign Trade Deputy Minister Eduardo Alonso.

Changes were also made at the Costa Rican Electricity Institute [ICE] and the Costa Rican Development Corporation, CODESA.

The new deputy government minister and the new executive director of the Center for the Promotion of Exports and Investments have not been appointed. [passage omitted]

The only new official in Arias' cabinet is Jorge Monge, who was a presidential adviser and had been deputy minister of industry, energy, and mines early in the Arias administration.

The changes announced by President Arias affect five ministries, even though only one deputy minister and a presidential adviser were promoted to minister.

The affected ministries include the Government Ministry, which will be headed by Antonio Alvarez, former agriculture and livestock minister. The new agriculture and livestock minister is Jose Maria Figueres Olsen.

Luis Diego Escalante leaves the Economy, Industry, and Commerce Ministry to become the new foreign trade minister, also in charge of tourism and international negotiations.

Meanwhile, Deputy Minister Antonio Burgues has become the new economy, industry, and commerce minister. [passage omitted]

Jorge Monge has become the youngest cabinet member; he assumes duties as the new minister of national planning and economic policy.

Sandra Piszk was appointed deputy economy minister. She was the deputy national planning minister and will be replaced by Fernando Herrero in that post.

The new deputy foreign trade minister is Edgar Brenes. He was the executive president of CODESA.

Teofilo de la Torre, who was the deputy energy minister, will be the new ICE president. Jorge Rodriguez replaces De la Torre as deputy energy minister.

Antonio Canas Mora becomes the new ICE general manager. [passage omitted] Canas Mora will also be assistant manager of telecommunications.

Jose Manuel Salazar will be the new CODESA president. [passage omitted]

Arias said these changes are the result of current and future needs.

The president's announcement was made at a news conference and included an analysis of the work done during the first 27 months of his administration, which Arias conceded have not been too easy.

Arias Sanchez said complex problems have arisen. These problems include the Central American political situation, the fluctuation of the prices of our main exports on the international market, the financial difficulties the country is experiencing, and the lack of understanding shown by certain groups in the face of changes required by the country.

Arias said the nation's economy has improved substantially. He added that the GNP grew by over 4 percent last year.

The president said the problems of corruption and drug trafficking are being faced with courage and efficiency in a clean way, and that nothing will be hidden. [passage omitted]

Arias Criticizes Managua for Nandaime Incident

PA0209213288 San Jose Radio Reloj in Spanish 0100 GMT 2 Sep 88

[Text] Costa Rican President Oscar Arias is determined to report violations of the Esquipulas II agreement.

I am determined to continue to report any obstacles to Central American peace and any violations of the Esquipulas II agreement, President Arias said. The president said the use of police and tear gas to break-up a demonstration in Nandaime—which the Nicaraguan Government had authorized—is a mockery of the Nicaraguan people's desire for peace.

Foreign Minister Views Peace Plan's 'Stalemate'

PA0209174788 San Jose LA REPUBLICA in Spanish 26 Aug 88 p 2

[Text] Costa Rica is trying to get Nicaragua to withdraw its suit against Honduras at the International Court of Justice. If successful, the verification of the peace process can be carried out with the participation of Canada, the FRG, and Spain.

Foreign Minister Rodrigo Madrigal Nieto said Costa Rica is making these efforts to end the stalemate in the Central American peace process.

Madrigal Nieto added that the Sapoa dialogue should be resumed because, along with the withdrawal of the Nicaraguan suit, it would be "the key to the development of peace in Central America."

The Costa Rican foreign minister said that country's doors are open to the Salvadoran guerrillas to come meet with President Oscar Arias in one more effort for peace, but he said he does not think this would be enough, because the Salvadoran situation is very difficult.

Madrigal Nieto said "we have undertaken many efforts for dialogue in many countries, but this does not guarantee understanding." He said the peace plan is in effect, and the proof lies in the excuses of those who are not complying with it.

Discussing in more detail the difficulties affecting the regional peace process, Foreign Minister Nieto said the process is being affected by the upcoming elections in the United States, El Salvador, and Honduras, because domestic events have repercussions on foreign policies.

Madrigal Nieto said the stagnation in the peace process will not necessarily increase military action, but it will lead to distrust among the countries. He added that democracy must be the common denominator among the Central American nations because "peace demands the existence of democracy; otherwise there will be no peace because there will be no security for coexistence."

Regarding Costa Rica's refusal to permit transport of aid to the Nicaraguan rebels, the foreign minister commented that the issue of humanitarian aid is still to be decided in the United States and that once a decision is made there, it will be analyzed in Costa Rica. Nevertheless, he stressed that an armed struggle must not be encouraged.

El Salvador

Guatemalan President Arrives on 'Private' Visit

PA0509174388 Panama City ACAN in Spanish 1633 GMT 5 Sep 88

[Text] San Salvador, 5 Sep (ACAN - EFE)—Guatemalan President Vinicio Cerezo arrived in San Salvador this morning to hold a private meeting with his Salvadoran counterpart Jose Napoleon Duarte.

Salvadoran Foreign Minister Ricardo Acevedo said the Guatemalan president's unexpected visit is "private and will last a few hours during which there will be no protocol ceremonies or statements to the press."

"The Guatemalan president has come to visit President Duarte, give him his support, and discuss the recent approval of the Central American parliament by the Salvadoran Legislative Assembly," Acevedo Peralta said.

According to the Salvadoran foreign minister, the presence of the Guatemalan Christian Democratic president "is to support and laud the democratic efforts and the quest for peace" conducted by Duarte, also a Christian Democrat.

President Duarte, afflicted by an advanced stage of cancer in the stomach and liver, has been subject to intensive chemotherapy to palliate his illness and has lost more than 30 kg in the past weeks.

Although his mortal illness has forced him to reduce his work, Duarte has said he will not leave the Presidency before July, when the next government will assume power.

Cerezo and Duarte are the only two Christian Democratic presidents in the area. On several occasions they have reiterated their intention of promoting and developing the Esquipulas II regional peace agreements for the establishment of detente in Central America by consensus.

Furthermore, the two presidents have expressed their intention of promoting the Central American parliament as a political forum to debate regional problems.

Cerezo Denies Coup Rumor

PA0509225188 Panama City ACAN in Spanish 2159 GMT 5 Sep 88

[Excerpts] San Salvador, 5 Aug (ACAN-EFE)—Guatemalan President Vinicio Cerezo, who arrived here unexpectedly today for a visit of a few hours, met with his Salvadoran counterpart Jose Napoleon Duarte, whom he called his "teacher," and said "there is no ghost coup" in Guatemala.

Without giving advance notice in Guatemala, Cerezo arrived at the Salvadoran presidential house this morning accompanied by Foreign Minister Alfonso Cabrera, among others, on a "friendly and private" visit.

While the Guatemalan president was greeted outside the presidential house, Duarte, physically diminished and emaciated by his cancer, suddenly joined the welcoming committee and greeted Cerezo.

Later, at a brief news conference, President Cerezo, seated near the Salvadoran president, answered newsmen's questions and said his visit had been "to see my teacher, whom I consider one of the pioneers of democracy."

Christian Democrat Cerezo, whose visit was initially denied in Guatemala by his spokesman Julio Santos, explained that he also came to discuss important topics regarding Central America, such as the coming meeting of the executive commission of foreign ministers and a possible presidential summit.

"The principal topic of our talks will be democracy in the area. Later I will make an official visit," Cerezo explained.

Newsmen observed that Duarte, suffering from the stomach and liver cancer that has caused him to lose 16 kg, is losing his hair and has an emaciated face.

Nevertheless, the Salvadoran president says he will not leave office until 1 July when his term expires.

Commenting on the current political situation in Guatemala, Cerezo said "the ghost coup does not exist in Guatemala. What we have are strikes and general strike attempts that are not carried out. That is part of our daily life; it is part of the legitimate participation of labor unions in a democracy."

"We have not had critical situations," the Guatemalan president stated. [passage omitted]

Cerezo said "it is possible that they may hold" the meeting of Central American foreign ministers, who comprise the executive committee of Esquipulas II, "during the second half of September.

The president said that before that meeting he plans to go on an official tour of the area to discuss the topic of the meeting of foreign ministers and a possible presidential summit.

Cerezo asked the Central American presidents "to have more participation to invigorate the Esquipulas II agreement, which is necessary for democracy and peace in the area."

Cerezo "did not announce to anyone" his surprise visit to El Salvador, his presidential spokesman Julio Santos reported this afternoon in Guatemala.

The spokesman, who first denied the visit, said (Cerezo) "decided at the last minute, while he was at the Santo Tomas presidential ranch" (38 km south of the Guatemalan capital), to visit the Salvadoran president.

Cerezo's spokesman was surprised that he had not been informed of the president's departure.

"I spoke to the presidential general staff and they denied that President Cerezo had left the country," Santos told ACAN-EFE, noting that "possibly his visit was not announced previously for security reasons."

FMLN Sets Off Two Bombs in San Salvador

PA0609045288 San Salvador Canal Doce Television in Spanish 0410 GMT 6 Sep 88

[Report by Alfredo Villareal]

[Excerpts] Early this morning, two powerful bombs rocked San Salvador's metropolitan area. According to reports, the bombs were planted by FMLN urban guerrillas. The powerful bombs were planted in two government vehicles, license plates 6906 and 6895, used by the Rural Basic Health Plan Section of the Health Ministry.

The destroyed cars were parked at First Street West and 21st Avenue North. The bombs, planted under the car hoods, shattered the windshields and destroyed the car bodies. Strangely enough, the rebels did not leave leaflets, as is their custom. [passage omitted]

In a communique read this afternoon over the phone, the FMLN General Command claimed responsibility for the destruction of the two vehicles. They said this is part of the urban guerrillas' latest campaign to sabotage government property.

Guatemala

Paper: Cerezo Kills Assassin; Warned by Noriega

PA0409175788 Madrid EFE in Spanish 1654 GMT 4 Sep 88

[Text] Caracas, 4 Sep (EFE)—A newspaper in Caracas asserted today that Guatemalan President Vinicio Cerezo killed one of the two gunmen who tried to assassinate him in his National Palace office on 19 August.

The morning newspaper EL NACIONAL, one of the leading and most prestigious newspapers in Venezuela, reported that "Cerezo's quick reaction upon the gunmen's sudden arrival foiled a coup d'etat and saved his own life."

The newspaper asserts that the information, "supplied to EL NACIONAL by reliable sources," was not released, even though there were rumors about unrest in the Central American country's military circles.

The information adds that "diplomats who recently visited Panama asserted that General Manuel Antonio Noriega, chief of the Panama Defense Forces, personally warned Cerezo about the dangers of a coup."

The article adds Noriega, himself, contacted top-ranking officials who are loyal to Cerezo and asked them to prevent a coup that "was already prepared."

The newspaper adds: Nevertheless, the officials said they were "powerless" to stop the conspiracy because "very powerful Armed Forces and extreme-right sectors were involved in it."

The newspaper stated the assassination attempt occurred shortly after Noriega's contacts, and several Latin American presidents reacted by sending messages of solidarity to Cerezo.

The information ends by stating that Cerezo has become bothersome for Washington's interests in the region because of his position of active neutrality."

Army Denies Assassin Incident

PA0409200188 Panama City ACAN in Spanish 1919 GMT 4 Sep 88

[Excerpts] Guatemala City, 4 Sep (ACAN-EFE)—The Guatemalan Army denied today President Vinicio Cerezo had killed any gunmen who might have tried to murder him in his government palace office and thus foiled a coup d'etat on 19 August.

"It is impossible for a gunman or Army officer to enter the presidential office and fool the strict military security," Army spokesman Colonel Luis Arturo Isaacs Rodriguez told ACAN-EFE.

Since 11 May, when there was an attempted coup d'etat against Cerezo by the personnel of two military bases that rose up in arms in the country's interior, "calm has prevailed in the country and in the Army ranks," the military officer emphasized. [passage omitted]

Col Isaacs Rodriguez was a bit surprised, because he is not familiar with military security. [sentence as received] He ruled out that any "gunman" or officer of his own security could reach President Cerezo and try to murder him in an attempted coup d'etat.

"There is nothing to that, and if this had really happened, we would have heard about it," the Army spokesman added. [passage omitted]

Rodriguez stated that "the Army is complying with the Constitution," and part of its legal function is "to prevent a coup d'etat" and "support President Cerezo's government."

"Thank God, nothing has happened, aside from the 11 May military uprising," the military chief stated, ruling out any attempted military coup d'etat on 19 August, although he admitted "there were many rumors to this effect" on that day. [passage omitted]

Government Denies Cerezo Visit to El Salvador

PA0509202688 Panama City ACAN in Spanish 1949 GMT 5 Sep 88

[Excerpts] Guatemala City, 5 Sep (ACAN-EFE)—Government and civil aeronautics sources told ACAN-EFE today Guatemalan President Vinicio Cerezo "has not traveled to El Salvador, because he has a very tight agenda here in Guatemala."

President spokesman Julio Santos said President Cerezo only has free time between 1600-1700 (2200-2300 GMT) today, so "it would be impossible for him to go to El Salvador." [passage omitted]

Sources at the Guatemalan Foreign Ministry advised that President Cerezo "had not even scheduled a trip to El Salvador," because Foreign Minister Cabrera will accompany him in the Central American tour Cerezo is planning; Minister Cabrera returned from Mexico yesterday and is here at his office today." [quotation marks as received]

The control tower of Guatemalan Civil Aeronautics confirmed to ACAN-EFE that "No 001 plane"—as the Guatemalan Air Force (FAG) plane or helicopter used by President Cerezo is identified—has flown from Guatemala today.

Santos stated that Cerezo met with Guatemalan Vice President Roberto Carpio Nicolle during the morning at Santo Tomas farm, 38 km south of Guatemala City, "where Cerezo spent the weekend."

URNG Leaders Discuss Talks in Costa Rica

PA0309002488 San Jose LA REPUBLICA in Spanish 26 Aug 88 p 6

[Unattributed report on statements by URNG delegation during visit to Costa Rica; date not given]

[Text] "The world has to understand two things: We hate war and what it causes—the dirtiness, underhandedness, bloodshed, and useless sacrifice of innocent lives—but there are very grave historical circumstances in our country, circumstances that led us 27 years ago to pick up rifles in an attempt to destroy a system of injustices, dictatorships, human rights violations, millions of impoverished Indians who are treated as third-class citizens, and corrupt governments. That is why we have accepted the mediation of Costa Rican President Oscar Arias Sanchez so, within the spirit of his peace plan, he will lead us to a dialogue with President Vinicio Cerezo's government—so that one day we can achieve a reconciled and reunified Guatemala in which democracy, social justice, equal development for all ethnic groups, and peace will prevail."

With this initial statement, Commander Pablo Monsanto, highest political-military leader of the URNG (which includes the Poor People's Guerrilla Army and other armed groups), told LA REPUBLICA: "We do not view as a failure our having reached the end of the talks here in San Jose with the Guatemalan National Reconciliation Commission without achieving a firm agreement on a cease-fire and on the beginning of a dialogue that will lead to a definite peace in the country."

Dr Luis Becker, also a member of the URNG leadership, said: "Sooner or later, President Cerezo will have to accept our right to participate in a dialogue and to negotiate agreements. Those who say there are no guerrillas in Guatemala ignore our fighting for 27 years. Those who claim the guerrillas are just a dispersed group of bandits and assassins are lying barefacedly and are denying a truth shown by a well armed army with strong logistics that clashes daily with the Guatemalan Army in some of the country's war zones. It is madness that the Guatemalan military men do not want to speak about

peace. We prefer dialogue to bullets. We hope we will be permitted to choose the path Oscar Arias has been pointing out to all Central Americans."

Miguel Angel Sandoval of the URNG said they will continue talks even though while they were holding a dialogue here, Colonel Isaac Rodriguez was stating in Guatemala there will be no cease-fire, because President Cerezo "does not recognize our status as guerrillas fighting Guatemala's problems." The world should know who wants peace and who does not want peace. It should also know the Guatemalan rebels are not a gang of bandits without God or law. Instead, they are rebels who want to bring democracy, justice, law, and peace to the country, as desired by the hundreds of peasants who support and feed us. The world should also know we prefer dialogue to cannons..." [quotation marks as published]

Commander Monsanto, Dr Becker, Dr Francisco Villagrande, Miguel Angel Sandoval, and Dr Hector Nuila yesterday ended their talks in Costa Rica. They met with President Oscar Arias Sanchez, Foreign Minister Rodrigo Madrigal Nieto, and the apostolic nuncio, who offered them the Nunciature in which to hold their peace talks. They also met with a delegation of the Guatemalan National Reconciliation Commission led by Msgr Rodolfo Quesada Toruno, who promised to brief President Vinicio Cerezo on the dialogue in San Jose. At the end of the talks, the URNG delegation met with LA REPUBLICA director Yehudi Monestel, whom, according to Dr Nuila, "is considered an honorable man to whom we wanted to make known the situation, because we know his newspaper wants to end the war and violence in Central America."

Government, Unions Seek Solution to Crisis

PA0309014788 Panama City ACAN in Spanish 1334 GMT 2 Sep 88

[Text] Guatemala City, 2 Sep (ACAN-EFE)—Guatemalan President Vinicio Cerezo, businessmen, and union and cooperative leaders held a second meeting last night at the presidential palace to seek a negotiated solution to this country's economic and social crisis.

The meeting was not attended by the Labor and Popular Action Union (UASP), which comprises the main workers trade unions and peasant, peoples', and student groups that oppose the Guatemalan Government.

The UASP, which promoted strikes and public protests against the government in August, did not participate in the dialogue because "President Cerezo never keeps his promises."

Workers, peasants, students, and housewives are demanding that the government reverse its decision to ease price restrictions on the family food basket, raise gasoline prices, and set a 2.70 quetzal exchange rate to the dollar.

In addition, they ask for compliance with the agreements signed by Cerezo on 11 March with the UASP leaders, where he promised to impose price controls, respect human rights, allow freedom to join trade unions, and decree salary increases for private business workers.

On 30 August, the first multiparty dialogue took place to reach a consensus and sign a "social pact" proposed by the four opposition political parties.

At the meeting, there was a consensus for creating working commissions to analyze the government's economic policies and propose corrections to the impact suffered by most of the population.

The negotiations are being supervised by the Catholic Church, the National Reconciliation Commission (CRN), and the Guatemalan Journalists Association (APG).

Metropolitan Archbishop Msgr Prospero Penados Del Barrio feels that the "social pact" should be the result of the consensus of dialogue where all opinions take part.

Meanwhile, the Union of Finance Ministry Employees, affiliated with the UASP, presented to human rights Attorney Gonzalo Mendez de la Riva reports of "suffering strong repression," blaming the government.

Manuel Meneses, secretary general of the Union of Finance Ministry Employees said the employees "fear they will be kidnapped and murdered," adding that they are accusing the "Interior Ministry and the national police."

President Cerezo said: "We are satisfied with the positive reaction and willingness by various sectors to discuss the country's social problems."

The president said that "most Guatemalans are aware the problems they are going through cannot be resolved by the government alone."

Cerezo stressed the "need" for "active and positive" participation by management, workers, cooperatives, and "all types of institutions."

The Guatemalan president ended by saying he has "confidence" in a final positive result "for Guatemala's peace and stability."

On the subject of riot police controlling government buildings since 3 August, Cerezo said that "the government has to maintain order," but government workers have interpreted it "as a repressive and intimidatory measure."

10,000 in Quezaltenango Protest Policies

PA0309022088 Panama City ACAN in Spanish 2240 GMT 2 Sep 88

[Excerpts] Quezaltenango (Guatemala), 2 Sep (ACAN-EFE)—More than 10,000 persons participated in a protest march today in this provincial city located in western Guatemala. They were protesting against President Vinicio Cerezo's economic policies.

Teachers, workers, peasants, and housewives participated in the 1-km march through the streets of Quezaltenango, carrying banners that read: "People Are Hungry." Quezaltenango is Guatemala's second most important city.

The public protest was called by the Quezaltenango Teachers Association [Asociacion Magisterial Quezalteca] to demand that government reverse its economic policies.

The march, which was discreetly watched over by the national police, ended without incidents in Central American Park, located in the center of Quezaltenango.

During the activity, the march leaders called the police "repressive" and demanded "justice for a hungry and ignorant country." [passage omitted]

The march was the third demonstration in Quezaltenango by people protesting the economic measures implemented by government in late June. [passage omitted]

Honduras

Azcona on Economic Situation, Ortega Letter

PA0309183188 Tegucigalpa La Voz de Honduras in Spanish 1120 GMT 3 Sep 88

[Report by newsman Julio Armando Valdes on news conference with President Jose Azcona Hoyos by unidentified reporters at the government palace; date not given—passages within quotation marks are recorded]

[Excerpts] [Valdes] At first we asked him about the foreign exchange situation. He answered as follows:

[Azcona] "There has been no scarcity of dollars. I would say that there have never been more dollars in Honduras than there are this year. Why? There has been an increase in exports, which have been rising for the past 10 years. There are logically more dollars because exports are greater. I repeat—I do not want to be misinterpreted: There is, however, a greater demand for dollars now than before. Since there is a greater demand for dollars, more pressure is placed on the lempira, and this is what happens. This is different from saying that there is a scarcity of dollars. Some deputies say things that do not make sense. [passage omitted] I can bring you statistics on the growth of commercial activity, which in the past 8 months has exceeded last year's commercial activity by $350 million." [passage omitted]

[Reporter]"What was your response to Daniel Ortega, who charged that Honduras was not complying with Esquipulas II?"

[Azcona] "I answered President Ortega. I do not know why they did not distribute a copy of my response..."

[Reporter, interrupting]" Will you distribute it?"

[Azcona] "Yes, we will. It is a very moderate letter. We say we are very glad to hear what he has to say. There is also a paragraph in which I regret what he said at a meeting—I believe it was at a meeting of Latin American parliamentarians. It is a very restrained letter in which I said I doubted that he actually said what the newspapepers reported. I did not hear him make these remarks." [passage omitted]

Azcona Agrees To Possible International Force

PA0309224088 Paris AFP in Spanish 2135 GMT 3 Sep 88

[Text] Tegucigalpa, 3 Sep (AFP)—Honduran President Jose Azcona today admitted the possibility of agreeing to an international force to patrol the Honduras-Nicaragua border, as Nicaraguan President Daniel Ortega proposed recently.

Ortega wrote a letter to Azcona proposing the creation of such a force in exchange for reaching an out-of-court settlement of the suit filed by Nicaragua with the International Court of Justice, accusing Honduras of allowing the Nicaraguan contras to use its territory.

Azcona told the press today that he had written to Ortega this week agreeing to the border force, and he noted that Honduras had already proposed the creation of a similar multinational force to patrol the border between Nicaragua and El Salvador to the OAS in November, 1987.

The Esquipulas II Verification and Follow-Up Commission, comprised of the area's foreign ministers, in a meeting in April reportedly agreed to request that Canada, Spain, and Germany [as received] establish a multinational force, but the effort failed because at the time Nicaragua refused to withdraw its suit at The Hague.

The Honduran president emphasized on Saturday that his government might agree to the presence of foreign military observers, but said: "Until Nicaragua solves its internal problems, Costa Rica and Honduras will continue to face this situation."

The Honduran president said: "If there is no democratization in Nicaragua, there will be more pressure, more refugees, more political exiles, and more contras" in

Honduras. He added that "the Sandinist regime is responsible" for the situation, "because it is placing the enclaves for the contras right on the border."

If the Sandinists want to force the contras to accept a definitive cease-fire, the appropriate thing to do would be to "isolate them inside Nicaragua and not give them access to the 130-km Honduran border," Azcona said.

Azcona accused Nicaragua of trying to "shift the burden of the contras," because if the contras "have no food and there is a cease-fire, then they will go where there is food and medicine," that is, to Honduras.

"Now we Hondurans have that problem and we are trying to solve it in a way that benefits Honduras," he added.

Meanwhile, commanders of the Nicaraguan Resistance (contras), told AFP that in the area of Capire and Yamales, in the eastern El Paraiso Department, there are some 11,000 contras and 13,000 of their relatives, who are receiving humanitarian assistance from the United States.

Military Chief Says Nicaragua 'Potential Enemy'

PA0509130888 Panama City ACAN in Spanish 1430 GMT 3 Sep 88

[Text] Tegucigalpa, 3 Sep (ACAN-EFE)—Honduran Armed Forces Commander General Humberto Regalado Hernandez has said that Nicaragua remains a potential military enemy of his country.

Regalado Hernandez said this yesterday in Tegucigalpa on the occasion of the Army's Logistic Support Command's anniversary.

Referring to the Honduran Armed Forces' budget—an amount not disclosed by the general but one he considers inadequate—the Armed Forces commander said "since Nicaraguan is a potential enemy of our country, we would give anything to find out what its military budget is."

Moreover, Gen Regalado explained the present situation is totally different from the early 1940's, when it was believed the country had achieved lasting peace.

The military, according to Regalado, has become the defender of the country against domestic and foreign threats, "because it holds the Republic's honor".

"The Army has been given the weapons to protect the nation's destiny and to insure the well-being of present and future generations," Regalado Hernandez explained.

Gen Regalado Hernandez said the Honduran Armed Forces is the smallest in Central America (composed of approximately 20,000 soldiers) and is outnumbered by the Armed Forces of other neighboring countries.

The Honduran Army started a period of constant training in 1982, when a series of U.S.-Honduran joint maneuvers and exercises were carried out throughout the country, even in areas along the Nicaraguan border.

Nicaragua

Ortega Addresses Farmers on Peasants' Day

PA0409130288 Managua Domestic Service in Spanish 1928 GMT 3 Sep 88

[Speech by President Daniel Ortega during a "Face the People" program with members of the National Union of Farmers and Cattlemen, UNAG, at the Olof Palme Convention Center in Managua—live; broadcast in progress]

[Text] ...if cooperatives benefitted from agrarian reform. I explained the revolution wanted both men and women to benefit from the changes presently implemented in the country. I added I was sure women comrades who were cooperative members were already enjoying the benefits of agrarian reform. Benefits were also being received by female comrades who are independent producers. Among the audience here I see some UNAG female comrades. Will the UNAG female comrades stand up so we can see how many of them are participating here today. [applause] As you can see, there are a good number of Nicaraguan women participating in agriculture production. You may sit down, comrades.

This meeting called by UNAG to commemorate Peasant's Day has been very timely because it allows us to discuss problems that must be faced to improve the country's production—I repeat, to improve the country's production. The revolution's political will is to have production continue to improve even in the midst of war and difficulties. Most of the problems you have posed can be solved by ourselves. We can solve them by more efficiently coordinating our efforts and by improving our communications.

Wage-earners, the Farm Workers Association [ATC] comrades, those not in ATC but who are salaried farm workers, small- and medium-sized peasant producers, big producers, agriculture technicians, and the Agricultural-Livestock Development and Agrarian Reform Ministry all have a common interest closely linked to the FSLN program. The program's goal is to guarantee land ownership to peasants, but it also wants to ensure that every Nicaraguan has a basic standard of living.

This is the point where different interests intersect and usually conflict and clash. Our goals are clear: Peasants should have land. We all agree peasants should have land. Nicaraguans should have a good standard of living; we also all agree on that. To attain these goals, however, we have to produce; we cannot attain our objectives without producing. We have to produce for export and

for domestic consumption. We have to produce under very difficult conditions, conditions that cause conflict among the different interest groups.

The farmer who owns some land and pays somone to work the land has interests that conflict with the hired worker's. The worker wants to earn a good and just wage, and the farmer either has or does not have enough money to pay the worker a just wage. The farmer may have the money but does not want to spend it and wants the bank to pay for everything. Other farmers really have problems and have difficulties in paying just wages. Problems arise at this point, problems such as the ones that have recently developed in the western part of the country. In that area, there has even talk that the ATC was promoting farm seizures because producers were not complying with the agreements they had signed with workers. These are the types of differences I have been talking about. Why do these problems arise? Why do these problems get so serious?

The problems arise because the entire country, as we all know, is in the midst of a deep crisis. The country suffers a crisis not caused by the revolution but by the Yankee government that wants to end the revolution. The revolution is 9 years old, and we have been at war for the past 7 years and 7 months. The Yankees have been waging war against us for this long.

We had a credit for about $50 million in a bank called the International Development Bank. The credit had already been approved. The Yankee government, however, threatened the bank with U.S. sanctions if they were to grant us the loan. The bank was frightened by U.S. threats and did not grant us the loan. The $50-million credit was for the development of agriculture and livestock and the improvement of rural roads to allow for improved facilities.

The Yankee embargo against Nicaragua causes serious problems because, as Comrade Jaime Wheelock has explained previously, we can no longer import U.S. products and parts to Nicaragua. This decision was made by the Yankee government. It it not a decision made by the Yankee producers. The Yankee companies are interested in selling their products on the Nicaraguan market; they are interested in selling their products and parts here in Nicaragua. The economic embargo against Nicaragua was not ordered by the Yankee companies nor by the U.S. people. The economic embargo was ordered by the Yankee government, by the Reagan administration.

Our total losses have reached unimaginable amounts. Perhaps you can imagine them. We are talking about $12.2 billion. We have sued the Yankees for this amount at the International Court of Justice. We did not make up the amount; it was calculated with the advice of specialized international organizations.

The Nicaraguan situation is complicated and difficult; however, we still have to produce. We have been producing up to now. It is true we have had increases and decreases in production, but we have been producing. When have we stopped producing coffee, for example, in the war zones? We have produced coffee in war zones even while contras were carrying out terrorist actions and even when they where attacking producers and harvesters.

Drought has been another factor that has harmed us. It has not only caused damage in Santa Rosa del Penon but throughout Nicaragua and in Central America, the Caribbean area, and Cuba. All these countries have suffered the effects of drought in the past years. There are areas in Nicaragua where it has rained a bit more, but the drought has caused us serious problems.

We have not stopped producing during all these years despite the drought, Yankee embargo, and Yankee war against us. This is very important. The proof we have not stopped producing and we are willing to continue producing is that we are discussing solutions to various problems at this meeting to improve our production. We have to speak about production even when war is harming our country. To win this battle, we have to increase our production further. We have to make better use of our resources.

You have every reason to express your problems, concerns, and criticisms at this meeting—including self-criticism, as Comrade Judith here has done about prices, salaries, technicians' attitudes, and banking credit policies. We have to speak about all these things. Why? Because recently prices, exchange rates, and many factors have changed. A person could ask: Why am I not allowed to export freely if all these factors are changing? Why can I not export my cattle, my root products, or any other product directly? The problem would not be solved with this action. It could solve the problems of a few people and enrich a few producers but at the cost of sacrificing a large amount of producers. This is how it works in other countries. In this country, we have nationalized exports. The state, representing all the national interests, has taken over the exports to distribute more effectively the small amount of foreign exchange obtained from exports. If the foreign exchange obtained for a particular product would be used to benefit only the producing sector, we would be left without hospitals and schools; the country's hospitals and schools would disappear. The Army and the Interior Ministry would also disappear. This action would seriously affect services such as energy and transportation. If we were to decide at this meeting that gold production—gold has good production figures and positive prospects—[changes thought—FBIS] Other sectors would suffer if the mining sector were to receive all foreign exchange obtained from its production and if the coffee sector were to receive all the foreign exchange obtained

from its crops. The sectors producing our daily food—rice, beans, corn, and perishable crops—do not produce foreign exchange. These sectors cost foreign exchange; they do not produce it.

The comrade here rightly requests products, and others have been asking how they can combat all sorts of blights and if soap can be used—as the comrade questioned—to combat blights. All these products have to be imported because we do not produce them here. We only make a certain amount of fat locally that can be used to produce soap; the remaining fats have to be imported. We can only distribute a bar of soap per person—when we were responsible for its distribution; we have left it to the free market at present.

If each sector were to receive the foreign exchange it produced, the country would not have food. Other sectors produce foreign exchange but at a high cordoba cost, and they have to be subsidized by the state. We cannot, therefore, only think as cattlemen. I cannot think only as a cattleman, or as a coffee, rice, or sorghum grower. I must believe that the country's economy requires all the resources we produce. We cannot give each sector the foreign exchange it wants, because we do not have enough foreign exhange. It is as simple as that: We do not have enough foreign exchange.

The revolutionary process has a responsibility with more private producers today than before the revolution triumphed. I have some statistics on the topic. When the revolution triumphed, Somoza's properties were confiscated. Somoza's farms and the farms of well-known Somozists were confiscated. We did not have problems with these confiscations, but some abuses did occur. The land of large, medium, and even small producers were sometimes confiscated, and this should not have happened. We have already talked about this error previously.

Agrarian reform also demanded that land be given to the peasants. The peasants have awaited changes in Nicaragua with hope. They wanted to have land and a land title for the first time in their lives. We had to get this land somewhere. We had to get the land from people's property, from land assigned to state enterprises, and from large estates where people had more than 500 manzanas of mostly unused land. We confiscated these unused lands because the large estate owners were not using them efficiently and only visited their estates with their families for personal enjoyment. These large estate owners hardly knew their lands because they lived in the city and visited their farms infrequently or not at all because they lived abroad. We have confiscated large estates and will continue to do so. We have, however, to take these actions very carefully. The comrade here demands, with all justice, that they be given 35 manzanas of land. However, we have to study the case carefully and have to confirm—we believe her, but we have to confirm the information—the plot of land they want does not belong to a producer who is presently working it and lives there. If the producer lives there and has his house and all his belongings on his land, we cannot, or we should not, cause him harm. If, however, as the comrade tells us, the owner of the land they want does not live in the area and just owns the land, then something could be done. We would try to reach an agreement with the owner, and if he does not want to reach an agreement, the agrarian law could be invoked.

However, injustice has ocurred, such as when innocent peasants have been harmed. Peasants who have supported the revolution have been affected. These actions have been scandalous and newsworthy, if you like, but they do not represent the agrarian reform's permanent policy. These actions were isolated cases, and each day, they become more isolated. At the beginning of the revolution, these cases happened frequently, but after a while, the situation was controlled and such actions diminished. At present, when a piece of land is to be confiscated—however large it may be—we talk to UNAG in the region to see if the action is appropriate. We want to be sure peasants feel secure about land ownership. We want peasants to feel secure about their land—not only because the revolution confirms it but because it is confirmed by the revolution's respect for their land ownership.

Statistics show us that in the past, before the revolutionary triumph—not only including the Somozas' 50-year regime but also when the Spaniards arrived here and imposed an economic system that exploited the owners of the land—land was taken from its owner and given to another person. The Spaniards imposed a mercantile system. Peasants were the victims of plunder from the Spaniards' arrival until 19 July 1979. The large estate owner seized the peasant's land if it pleased him; all he had to do was destroy the peasant's fence and send his animals to the area. If peasants protested the action, the large estate owner—even if he were a Conservative Party member—would go to the guards. The guards served large estate owners who belonged either to the Conservative or Liberal Parties; it did not matter if the large estate owner belonged to the Social Christian Party or any other party, because the guard was there to serve the large estate owners, the millionaires. If the peasant protested because his land had been seized, the large estate owner would call the guard, and they would come and supress the peasant or send him to jail. In this manner, the Spaniards plundered and seized land from its rightful owners: the peasants of the time, the Indians, our ancestors.

The Yankee government followed this type of policy after the Spaniards left—when did they leave? In 1821. Can you imagine that the Conservatives and the Liberals—which are the same—held power 1821-1979? What did they do for the peasants? Did they give land to the peasants? They did not give land to the peasants; they seized the peasants' lands. That is what they did; they looked for ways to take the peasants' land. How many peasants in Chinandega were left without their good

land, productive land where peasants planted the famous Chinandega oranges and other fruits? The large estate owners and a few small landowners started to exploit peasants and seized their land when they started their cotton crops.

The same thing happened when they started their banana plantations. The large estate owners seized the peasants' land, and the peasants who protested the action were sent to Nueva Guinea. That is what they did, but they did not return the peasants' good Chinandega land that really produced riches when cotton was highly valued in the international market.

When the revolution triumphed, we found that only 40,000 Nicaraguans had land titles. The revolution, through the different agrarian reform mechanisms, has so far benefitted exactly 111,442 Nicaraguans. Today we have more than 150,000 individual or cooperative landowners. What sector has been reduced? There are fewer large estate owners now; that sector has diminished. There used to be 9,600 landowners who owned 4.231 billion manzanas—about 3 million hectares—9,600 landowners owned 4.231 billion manzanas. There were thousands of peasants who did not have any land. So, the agrarian reform law was applied to persons who had too much land and did not use it.

In these production matters, it is necessary to remember that the war has affected some 400,000 manzanas, agricultural, arable land that had been prepared and that peasants used to cultivate. However, because of the war, people have had to relocate in other sites; people have fled, and property has been abandoned; other landowners have left with the contras; some have relocated with the revolution in other zones. That is the reality. Have peasants done this just because they wanted to do it? No. Peasants who have joined the contras have done so because of the Yankees. Peasants who have been forced to abandon their property and go to other zones have been forced to do so because of the Yankees. You can perfectly remember how, during the 1st years of the revolution we tried to give machinery, equipment, financing, everything we could give to all peasants who asked for help. Whoever asked for help received; there were very few controls. However, this policy has been affected by the aggression and the war. At this time, when so much damage has been done to the economy because the situation described by the comrade from Santa Rosa ...[changes thought] I want to say to him we are going to go to Santa Rosa and hold a Face the People there; I also want to remind him he is the owner of his house here in Managua, and a decision has been made in this sense. Therefore, it is necessary to apply pressure so people receive their property titles. We are in the process of delivering land titles. [applause]

He painted us a picture, rather he described a picture of, or drew Santa Rosa. It was a painting of drought, and there are no telephones or telegraph. Imagine, all the factors in one little town. So, Nicaragua ...[changes thought] He says Santa Rosa was forgotten by the Somoza regime for 50 years. It was forgotten by the Liberals and Conservatives, by the supporters of Somoza, and by people who were not supporters of Somoza but who held power for more than 100 years following independence from Spain and more than 400 years since colonial times.

So, it was forgotten. I admit, Santa Rosa was also forgotten by the revolution in 9 years. [indistinct voice heard in the background] I am accepting it as constructive criticism; I am accepting it as constructive. I am accepting that, comrade. It was forgotten by the revolution for 9 years. The revolution has not been able to reach everywhere. If we go to Santa Rosa, and the situation is as the comrade described it, then the revolution does indeed have a way to go. However, I think the revolution should have at least reached here with the literacy campaign. It also should have reached here with the organization of cooperatives. The revolution is showing its head, or nose. But, we have a way to go, indeed.

I cited by way of example the description by the Santa Rosa comrade. We must work as a country, as Nicaragua, under conditions as difficult as Santa Rosa's. We have an enemy who is hurting us everywhere. He is killing us and our economy. He is attacking private property. It is also worth noting that in the land reform process, following the confiscation of land of Somoza supporters and other people who were not Somoza supporters but whose land had to be confiscated—including other confiscations that may have been improper or unfair—the state had 19.3 percent of the land. This means 80 percent [as heard] of the land is in private hands. The state had 20 percent of the land. That is the ratio. With land reform, not only was land confiscated from large landowners to give to individual peasants, cooperatives, or Indian communities, but land was also confiscated from the people's ownership sector to hand over to peasants. The people's ownership sector includes those lands belonging to state-owned enterprises, which are enterprises belonging to the people administered by the state.

State land ownership has been reduced from 20 percent to 14 percent, which means private and cooperative land ownership has increased. These sectors have benefited from the revolution. When the revolution began, the ration as 80 percent to 14 percent [as heard]; now, 86 percent of the land is for the cooperative, private, and community sectors, and 14 percent for the state. What does this show? The commitment of the revolutionary government, regardless of the mistakes made. It shows we are doing something in line with what the FSLN told peasants when the struggle began in Nicaragua. This means land is being given to the peasants.

This does not mean the land reform cannot touch large landowners—we do have some who own large expanses of land—who want to sabotage production. There are people who want to sabotage production; there are

people who do not want to invest. There are people in the Higher Council of Private Enterprise who insist the bank pay for everything. They want to use their profits to spend vacations in the United States.

They can easily go to the United States, and they are always going there. They could also use that money to send their children to study in the United States. That costs money. That is expensive. They could also spend that money to go the United States to cure their illnesses; they could spend that money to buy properties in the United States; they could spend it to invest in the United States; they have investments in the United States. However, they do not invest a single cent in Nicaragua. They want the bank to give them everything. What happens to the profits? Are you going to tell me no one earns a profit here? Those who do not profit will simply stop working. You can try for 1 or 2 years, and if there is no profit, you would stop such an activity. Those people have enriched themselves. They have enriched themselves because the revolution has given them the opportunity and they have been producing. However, they will now have to produce by investing their own resources.

That is the logic, or part of the logic, behind the measures that we are applying, that we have been promoting since 1985 and 1986, and that we began intensifying in February 1988. These are not IMF-style measures. The IMF is an instrument of the wealthy capitalist countries to tell small countries like ours in Latin America what they should do in economic matters and how they should distribute their resources. Because the IMF is an instrument of capitalism, its logic and its proposals are not in line with our economic reality.

We are not applying an IMF policy simply because we are flexible in our policies, are flexible in price and wage policies, and change the exchange rates. We are defending a revolutionary project, which goes against IMF proposals because the IMF people do not want revolutions or revolutionary changes.

What would the IMF tells us? It would say: If you cannot maintain education at the levels you are determined to maintain for 1 million Nicaraguans, if you cannot maintain health services—some of which are good, others bad, and others normal; that is the truth, we are not going to say health services are all good—you have to cut your health and education expenditures. However, we will not do that. We have to talk to the teachers and the health workers to tell them: Comrades, you who in all fairness are asking for higher wages ....[changes thought] This is the other problem you must understand. There are not only the interests of the small, medium, and large peasant and agricultural producers; there are also the interests of the wage earners. This includes the workers who receive their wages from you. They also want to have their land. The farmworker who works for you would like to have a plot of land. He also has the right to have a plot of land; of course, he does. But at this time we cannot give all those peasants their plots of land; we are not in a position to do so. We would have to have a country in peace, a highly technologized country that does not need so much manpower. But how much manpower do we need now? We even have to use volunteer manpower to harvest the coffee. Those other sectors also make demands as vigorously as you do. However, there is a substantial difference: Those sectors do not own land; they do not even have a small plot of land. The thousands of teachers do not have a plot of land; they just depend on their salaries. They do not even have the option of saying they will plant some corn and beans and then will more or less make do with that. They cannot say they will plant sorghum and make sorghum tortillas and that they will make do with that.

However, they cannot do that; they depend on a salary. Health workers depend on a salary; all health workers depend on a salary, and you should hear the comrades' demands! What do you think they tell me when I meet with them? We say: We have several sectors here; we have the production workers and the service workers. However, they do not accept that. They claim: We are also productive workers. They certainly are productive workers, and they work hard. They produce by teaching Nicaraguan youths and adults in the countryside. They go far out to the areas we have been able to reach to educate the peasants' children and even the peasants who want to learn.

It is true the health workers also render a service even though they do not produce coffee, corn, or beans. They may not be producing that kind of material resource, but they are rendering an essential service to the population. If peasants want to take care of their farms, they must receive regular medical attention. They should at least have a doctor close by, even if he charges a fee, so he may care for peasants when they get sick.

What about the peasant who works for you because he does not have his own plot of land? He also needs to be healthy. How can he work hard if he is not healthy? How can the peasant working for you work hard if he is not healthy? He would be sick all the time, and you would not have a good worker. That field worker has the right to be healthy, which is why we believe health is an overall part of the production sector. We also believe education is an overall part of the production sector.

We cannot mechanically separate those things by saying: Production here and services here, because....[changes thought] The Nicaraguan Institute of Energy [INE] only entails expenses; that is all INE does, entails expenses. INE may only entail expenses, but those expenses are necessary. INE, in itself, does not produce something that can be exported for foreign exchange, but if we close down INE because there is no money for it in our budget....[changes thought] The agrarian and industrial sectors' production is not enough to pay INE, the Nicaraguan Water and Sewage Institute, teachers, and everyone else, simply because the money will only go so far, which is why we have inflation, and we will continue to have inflation as long as we continue like this.

As I said, what would happen if we close them because there are no funds; what would happen if we close INE? Those who have irrigation systems would have to forget about irrigation. We have good weather now, but a comrade said he had not seen so much rain in Santa Rosa in 30 years. We also have not had a winter like this in Nicaragua for many years. Consequently, I ask: Can we do without the irrigation system? No, we cannot do without the irrigation system; we need the irrigation system, and the irrigation system uses electricity.

I visit coffee or cotton farms—so do Victor Tirado, Jaime Wheelock, and Comrade Sergio Ramirez—and what are the demands we hear in those production centers? The people say: We want electricity; we want electricity; we want it! We have to give them electricity so they can have lights in the countryside and on their farms. That must be paid for. Also, you are demanding more roads to bring out your harvest. Why? Because production activities are not limited to a plot of land tilled by a peasant and several workers; it also involves the construction of roads. Who pays for the roads? Who gives the foreign exchange to import the machinery to be used to build the roads? Who will pay for that?

If you think the matter will be settled by letting everyone take their own money and take the foreign exchange paid for his products, then everyone would soon be left without work. Who would build the roads? Who would provide the electricity? Who would protect your health? Consequently, you must also pay for those essential services. Also, what about defense? If we lower our guard in the war zones, the contras would take over, and that would be the end of your cooperatives and the agrarian reform and the revolution! Thus, you must also pay for the military defense of the revolution.

Therefore, what is our true situation? It is simple: We spend more than we produce, that is all. When one spends more than one produces, one becomes more indebted. We already are. In other words, Nicaragua as a country has already sold the sugar, coffee, and cotton crops we are going to harvest in the next few months. We have already spent most of the money we are going to receive this year. We are living on our debts; this is how the country is living. We are selling the future crops we are going to harvest to pay the import taxes of pesticides needed to eliminate plagues, kill mice, pay for the machinery, receive electricity, and buy spare parts. This is the reality; we are living on what we borrow.

Therefore, what is our only chance to start thinking seriously about a strong, sound Nicaraguan economy? To struggle to attain peace. However, whether or not we attain peace does not depend on us; it depends on the Yankees—we are obligated to increase production, and we can do it even under these difficult circumstances. We are not alone; we receive cooperation, international cooperation. It is true the cooperation is not enough because of the expenses we have and the harm caused to our economy, but we can make it, and we can improve some aspects of production. We must learn to spend according to more difficult circumstances. What happens when conditions turn difficult? One gets into the same situation as the comrades who go to the Agricultural-Livestock Development and Agrarian Reform Ministry, the National Agricultural and Livestock Products Enterprise, or elsewhere and are told: If you do not purchase a substantial quantity, I am not going to spend my time lifting the barrel just to sell you a small amount. You either take all or I will not sell it to you.

Therefore, peasants have to learn to save when using fertilizers, pesticides, spare parts, everything. They should save more and find ways to solve their problems. Each one should try to solve difficulties. However, technicians, because there are fewer of them, have to try harder actively to help at the production centers and support production activities with their knowledge. If there are any technicians who cannot communicate with peasants, they should start learning. You should tell them: Comrade, if we are not understanding each other, let us speak clearly and say: I do not understand you. There are other technicians—I have visited farms in production centers with some—who communicate very well with peasants. We are not going to say all technicians use complicated and difficult language; however, some technicians know how to talk to peasants. Perhaps some do not know how to do it; thus, it is necessary to call their attention to this. Institutions should make a greater effort.

What is the meaning of rationalization of resources? It means CODEPA [Agriculture-Livestock Development Corporation] should review its policies. Under these circumstances, enterprises seeking to develop and strengthen themselves could seriously affect the ability to purchase products by those who need the resources. It is not necessary to repeat this, because some enterprises are already experiencing this situation, especially these days, in these months when economic measures were adopted, particularly after June. What happened?

The enterprises, a lot of enterprises, the majority of the enterprises simply increased production and sold them at those prices. Their products did not sell; they could not sell their products. So they must simply seek the true value of their products and think of a more limited profit margin for now. They cannot think of a huge profit margin. They cannot even think of the profits at normal times. They must think of the profits at difficult times. They should at least produce enough to continue production next year. Profits should cover that. They should not be thinking of higher profits.

Of course, a person thinking of higher profits and getting rich because he belongs to a cooperative or because the cooperative (?is rich) should not fool himself. In the early years of the revolution, there were very rich cooperatives. What did the cooperative members do? They asked for bank loans. The banks never charged them interest. They banks were practically giving them the

money. The cooperatives did not reinvest their profits. Later, many of these cooperative members became businessmen. The cooperative members withdrew hundreds of millions of pesos [as heard] and became businessmen. That is not fair.

The policy of cooperatives was not made with that in mind. It was made so peasants would have the chance to work the land and invest in that land. The comrades are already doing that. Here, the comrades said: We are no longer using the bank. These were the comrades from the northern zone, I believe. They spoke here. They said that many cooperatives had decided not to use the banks; they decided to find ways to work with their own resources. That is a good effort, and we must recognize it.

However, the state must try to increase resources. State enterprises, such as CODEPA, must try hard to assess the price of products accurately. Of course, if it wants to sell and build more stores where requested, as everybody will be requesting stores, and if it makes a mistake and pays very high prices, then someone has to pay for that. The money CODEPA uses to build more stores must come from somewhere. The money CODEPA uses to pay its officials and workers must come from somewhere. The money comes out the value of the product [words indistinct] the peasants. Perhaps it is not presently advisable for CODEPA to have a growth policy, to continue opening stores. The resources should be used to distribute goods through the means that already exist. This may even lower the prices of products a little.

Otherwise, the enterprise grows and grows, and then it suddenly becomes useless to be opening stores everywhere if nobody buys anything. CODEPA then would go bankrupt, just like any other enterprise. That happened after June, as I told you. What did the textile, shoe, and soap enterprises and the enterprises in the industrial field, the machete industry, do? They multiplied their production. When they started selling their products, nobody bought anything. The prices were very high. Nobody could purchase a thing.

Now, people are also [words indistinct]. Therefore, what should enterprises do? They should find ways to reduce prices without losing money. Perhaps an enterprise had hired more people than it needed; perhaps it was not working efficiently; perhaps people were working 6 hours instead of 8 hours and what could have been produced in 1 week was being produced in 1 month. All that implies losses. This in turn makes products more expensive. Therefore, enterprises should now review your costs in detail, as producers should. We should not lie to ourselves; we should not do that. It is clear costs cannot be the same for producers in different regions. For example, if a farmer has good land, his costs will be lower. But if a farmer does not have good land, [words indistinct]. In any case, we must think about how to cultivate other kinds of products. Those who have land in cotton-producing regions should forget about planting cotton and should find ways to plant sorghum, sesame seeds, or something else. They should forget about cotton. Farmers must start thinking about profitability and about [words indistinct]. Thus, if before I bought Gramoxone or any other kind of product because I thought it was cheap, if I bought it and quickly used it all, now I have to use it in smaller quantities and have to rationalize the use of that product. I have to do the same with everything I am using to take care of the agricultural, productive tasks.

Comrades, this is the reality in which live, the reality. It is a very difficult and complex situation. But the important thing is we have the ability gradually to overcome it. This is part of the process. Each individual will return to his work place after gaining a new experience at this meeting to exchange views and communicate with each other. By uniting efforts in our daily work, we can improve production. That is the objective we have sought here. We are not meeting here just to waste this building's electric lights and air conditioner. Instead, we are doing so to talk calmly about this difficult topic. It would not be the same discussing it in a plaza under the sun, so we discuss it here to gain experience and reach agreements. We have taken note of all that has been said here. We have all been taking notes when we have been speaking at this table. We have been talking about the topics brought up by comrades. While other comrades were speaking, Comrade Ruiz was busy taking notes. One could say he was not paying attention, but he was taking notes. I saw him there at the corner busily taking notes. Comrade (Blanco) was also active in the meeting, taking notes because he later wanted to make his contributions. All of us who have been here were paying the utmost attention, discussing, and contributing. [Words indistinct] I was looking at the comrade when he was taking notes before he spoke and told us we were talking here at the table.

Comrades, the important thing is we should leave here with the conviction the measures we have adopted are correct. All the economic measures the comrades tried to explain yesterday and have been explained through the media, all the measures that involve many confusing and technical words, are correct measures. We must be sure they are correct measures; we must have an influence on them. If we are able to save, if we estimate the prices well and do not deceive ourselves, if we come out with a higher or lower price, then we will be helping production. We must find answers and must also be watchful about these measures. When a price is established now, it is really just a benchmark price, because coffee, cotton, and other products have yet to be harvested. These are just benchmark prices. However, we are seriously concerned about having these measures encourage the producers. We know to stimulate producers we have to guarantee a price that will make them want to continue working.

I want to make something clear. To date, the bank has not foreclosed on anyone. Let any comrade who knows of such a case say so here. If it were the case that a bank had become the owner of property because of a debt, we

would have to tell the bank to reverse the decision immediately and return to the individual or family their property. Anyone can speak up. That is not the policy of the revolution. That was the policy in the past with the capitalists, with the people of the Higher Council of Private Enterprise, with the Liberals, with the Conservatives, with the Yankees. The bank used to confiscate the peasants' land. That is not the case now with the revolution. We are not even going to say that from now on those who do not pay their debts will have their lands confiscated. We will not say that. We do not want the bank to have all the land; we want the peasants to have land to work. That is what we want. We have to make an effort so the bank will not lose. If the bank loaned 100 [currency not specified], it should recover 100. The peasant might pay 300 but maybe the price for his product will be higher. He will see he will come out ahead even if he pays the bank 300. The 100 loaned by the bank has lost value and is not worth the same as when the peasant goes to pay months later. Therefore, the bank has to be careful about this; we are watching the bank and instruct it to keep accurate accounting, because we do not want it to charge more to peasants, because they would be harmed.

The package of measures includes a decision on credit policy. This is what Comrade Roberto explained to you yesterday concerning interest rates. We must be clear about the following. Special policies will be established for the coffee and cattle improvement programs. We are not going to apply to them the regular bank policy; instead, we will establish a special favorable policy for them. The producer will not even have to pay 100 percent to the bank. The treatment for programs involving the improvement of coffee and cattle will be special. We cannot establish that policy for other sectors. We are talking about these two sectors, coffee and cattle.

However, we want to benefit the cattle producer, not the businessman; we want to benefit the producer. [applause]

Therefore, Nicaraguan comrades, brothers, peasants, and workers, we will follow up this package of measures. We meet with the planning council on a weekly basis and thoroughly review the measures. Do not believe that technicians tell us what we do, as some theoreticians claim. That is not so. We do not analyze things from a technical viewpoint, we analyze them from a political viewpoint. We must logically review the technical side, but our work is always based on a political viewpoint.

We are firmly convinced we are better off right now than we were before February. In other words, we are better prepared to control the crisis so we do not succumb to inflation, so we keep our economy sound and continue to develop it. On Peasants' Day, I want to honor that exemplary man whom you have already mentioned, meaning that exemplary Sandinist, revolutionary, anti-Imperialist fighter—Bernardino Diaz Ochoa. I also want to honor hundreds of peasants, thousands of peasants who have been victimized by the Yankee policy. I want to honor the heroic peasant men and women who have taken their rifles to fight against the counterrevolution and have also continued to till the land. I also want to honor the peasant children, boys and girls, some of whom are only a few months old, who have been victimized by the Yankee government's policy.

For the blood they have shed, for the example all those brothers have left us, we will continue to fight and produce. Free homeland! [crowd shots: "Or Death!"] [applause]

RN Sets Conditions for Release of Prisoners

PA0209170988 Paris AFP in Spanish 2123 GMT 1 Sep 88

[Text] Miami, 1 Sep (AFP)—Today the Nicaraguan Resistance [RN] announced its decision to release the 66 Sandinist prisoners it is holding "as soon as possible, somewhere in Central America."

The decision was made known in an official communique jointly issued by the rebel leadership and by representatives of the so-called National Reconciliation Commission, which is made up of 14 political parties opposed to the Sandinist regime.

In exchange, the RN said it has asked the Managua government to release 7,000 political prisoners held by the Nicaraguan authorities.

The communique was signed by rebel leaders Alfredo Cesar, Aristides Sanchez, Roberto Ferrey, and Wilfredo Montalvan.

Erick Ramirez and Mauricio Diaz, who traveled from Managua to Miami to meet with the RN leaders, signed for the National Reconciliation Commission.

Ramirez and Diaz' specific mission was to negotiate with the rebels the release of the Sandinist soldiers they are holding and to clarify the situation of other Nicaraguans who, according to the government, "have been kidnapped or are missing."

In the joint communique, the rebel leadership said that it is holding "only" 66 members of the Sandinist Armed Forces and that it will continue "making efforts to locate the people who, after joining the RN forces, have been reported missing or kidnapped."

The RN explained that it has been carrying out these efforts in line with requests made by the International Red Cross, Nicaraguan Cardinal Miguel Obando y Bravo, the Human Rights Commission, and other international organizations.

"The RN reaffirms its decision to release the 66 prisoners immediately. Their release has not occurred because of objections made by the Nicaraguan Government," the communique stated.

The joint communique was issued in a news conference held in Miami by Cesar, Ferrey, Ramirez, and Diaz.

The rebel leaders said that on 17 June, the Sandinist government rejected Guatemala's request to permit it to receive the 66 prisoners in Guatemalan territory. They added that despite this, they are willing to release the 66 prisoners in another country "that might be able to accept them without asking for Nicaraguan's permission."

"The RN will release those prisoners as soon as possible somewhere in Central America and in the presence of a delegation from the National Reconciliation Commission," the communique emphasized.

RN To Announce Release Date

PA0209214288 Managua Radio Sandino in Spanish 2015 GMT 2 Sep 88

[Interview with Erick Ramirez, member of the National Reconciliation Commission, by unidentified reporters on 2 September; place not given—recorded]

[Text] [Ramirez] The Nicaraguan Resistance [RN] has decided to release the 66 kidnapped persons. In the next few days, Mauricio Diaz and I will be advised as to the date, place, and country where the release will occur. Once we know the exact location of the release, we will go there and ensure the matter of the 66 persons in the hands of the RN is clarified once and for all.

[Reporter] How much longer do you think we will have to wait? The contras have been saying they are going to release these people since the Sapoa talks began.

[Ramirez] We hope this matter will be solved in the next 5 or 6 days.

[Reporter] What other issues did you discuss with the contras?

[Ramire] The RN has agreed to support the suggestion presented by the 14 political parties and the Worker's Permanent Council. These groups, on the occasion of the 1st anniversary of the Esquipulas agreements, signed a joint document during a meeting at the Camino Real Hotel. That document signed by all the opposition parties and the four labor unions says it is necessary to hold a tripartite dialogue aimed at achieving peace, tranquillity, and democracy in Nicaragua. The RN has supported this suggestion. However, additional talks must precede the implementation of this suggestion.

[Reporter] One last question. Have you asked the contra directorate to resume talks with the Nicaraguan Government in Managua?

[Ramirez] The RN says it is willing to resume the talks with the government if the talks are held abroad and if President Daniel Ortega is present. They also want the Central American presidents to witness these talks. We have always said the Nicaraguan opposition parties support a political and negotiated solution to the problem of the war, economic crisis, violence, and conflict in Nicaragua. We reiterate the Nicaraguan opposition parties' stance. We wish to find a solution to the conflict as soon as possible and prevent further loss of life. We do not want our young people to be sacrificed in this domestic war. We were very clear in letting the RN know this.

H. Ortega Address at Army Day Ceremony

PA0209223288 Managua Radio Sandino in Spanish 2006 GMT 2 Sep 88

[Speech by Defense Minister Humberto Ortega on Army Day at San Jacinto farm—recorded; broadcast in progress]

[Text]...made public our government's decision to extend the cessation of offensive military operations. Our Army has complied with that decision and will continue to comply. However, our Army will determinedly and resolutely continue to repulse, with all its resources and strength, those mercenary criminals who have not complied for 1 day with the cessation of offensive military operations and whose terrorist campaigns this month have left more than 100 civilian casualties. Those forces and those actions will continue to be resisted resolutely.

We want to take advantage of this day to point out that with the various maneuvers of our enemies to confuse our people, they have also reached some members of the National Reconciliation Commission. Without any mandate from the government, the commission has held talks with groups of the counterrevolution, the mercenary forces, compromising themselves on matters in which they have clearly demonstrated an opportunistic position and (?completely) expressed their political positions as representatives of the political groups or parties they represent.

The only mandate given to the National Reconciliation Commission is the mandate our people have been publicly presenting through the mothers of the kidnapped: the counterrevolution must account [words indistinct] the hundreds of kidnapped persons they are holding in their bases in Honduras; the counterrevolution must comply, as the initial step, by releasing the 66 kidnapped persons they had conceded—during the last negotiations with the government—to be holding and had agreed to release, which they have not complied with.

Our government will continue resolutely supporting the mothers of the missing, the mothers of the kidnapped, until the counterrevolution accounts clearly for the fate of those brothers, who are casualties of the Reagan administration's war of aggression.

We come today with more confidence than ever to reaffirm our patriotic oath, to reaffirm our determination to continue complying with the various tasks of the defense of a homeland that is still being attacked and threatened.

We have come to affirm to our people, our government, and our leaders that our soldiers and officers will not surrender to economic difficulties nor to the military, economic, financial, and commerical state of siege imposed on our revolution by the United States. Our Army's combative spirit will not succumb to these imperialist restrictions. Our soldiers will never surrender their patriotic flags to these restrictions and economic siege nor to their threatening aircraft and ships. All our people—such as Andres Castro and the Patriotic Military Service [SMP] inductees—are standing firmer today than ever. Following the example set by more than 60,000 demobilized men who have already complied with their SMP, our youths have already made the decision to stand firm and are coming by the thousands to sign up for their military service. Our youths today want to be trained as Andres Castro was; they want to temper their spirit as Jose Dolores Estrada did; they want to be men like Sandino, Carlos Fonseca, and Che Guevara. That is why they are coming by the thousands to enroll in the SMP during October. They are the ones who will carry the torch we were given, we have defended, and we are giving to them today. We are sure they will defend the torch as the best of our people have done, and they will do so with bravery and pride. We are, thus, more confident than ever, because Sandino's fatherland has not sold itself nor surrendered and will not sell itself nor surrender. Free Fatherland! [People shout: "Or Death!"]

Comments on Contra 'Defeat'

PA0209195088 Managua Domestic Service in Spanish 1825 GMT 2 Sep 88

[Text] Army Day was celebrated today with the promotion of many EPS officers in a ceremony at the historic San Jacinto ranch. At the promotion ceremony, Humberto Ortega Saavedra, defense minister and Commander of the Revolution, stressed the heroism of our people and especially of the EPS in defeating the plans of the contras, who have received open support from the U.S. Government, Honduras, El Salvador, and Costa Rica. Despite all that support, the contras have been defeated.

General Humberto Ortega also said that from the military viewpoint, the most important achievement is having pushed the contras out of our territory and into Honduras. Analyzing the military situation, Ortega said that 70 percent of the counterrevolutionaries are in Honduran and Costa Rican territory and that 25 to 30 percent are in Nicaragua. Gen Ortega added that the contras currently number approximately 6,000 men. He said that in going against the peace negotiations to achieve a cease-fire and going against Contadora's desire for peace, Reagan rejects all those efforts and provokes more war against Nicaragua in the political, economic, and military fields. Defense Minister Ortega said this at noon today referring to the possibililty of talks with the contras. He said that the counterrevolutionaries' actions indicate that they are trying once again to legitimize the war against Nicaragua.

News Conference Statement

PA0209230388 Managua Radio Sandino in Spanish 2016 GMT 2 Sep 88

[Statement at "news conference" by Defense Minister General Humberto Ortega at Army Day commemoration at San Jacinto farm—recorded; broadcast in progress]

[Text] ...taken the mercenary forces to an irreversible situation of strategic defeat we have already assessed. It is clear the mercenaries no longer stand for a true alternative of power to defeat the revolution. It is very clear, militarily speaking, the contras do not represent a true possibility of defeating the EPS; they never did, and even less so now. The mercenaries are a defeated force, but they have been able to continue operating because of all kinds of support they receive from the United States. Their small groups have been harassing the civilian population to aggravate our country's economic crisis. This is the main result of the U.S. war of aggression against our homeland.

This is why the United States wants to keep the contras at their bases in Honduras and Costa Rica to continue their terrorist policy to bleed our people and wear them out economically. They cannot progress from the minor role of guerrillas. Our Army, government, and people will continue to prepare the national defense in view of the greater danger posed by the United States against Nicaragua. The United States has not given any indication of wanting to negotiate seriously or fairly with the Nicaraguan Government.

We know the presence of contras in Honduran populated areas while they are being practically guarded by Honduran troops represent the danger of a greater conflict provoked by the United States between the Honduran Armed Forces and the EPS. This is why the Nicaraguan Government has oriented our Army toward continuing its defensive training, which rests primarily with the people's mass organization and the reserves, the Patriotic Military Service, and the entire defensive system our people have a right to.

Further on News Conference

PA0309173088 Managua Radio Sandino in Spanish 1251 GMT 3 Sep 88

["Excerpt" of news conference by Defense Minister Humberto Ortega with unidentified reporters at San Jacinto Ranch in Nicaragua on 2 Sep ; recorded—broadcast in progress]

[Text] [Ortega] ...that the people launched against Reagan's forces resulted in the most critical phase in late 1987 and early 1988. Given this and other factors, the

mercenary forces entered an irreversible phase of their strategic defeat—which we have fully analyzed. It is quite clear that the mercenary forces no longer represent a real alternative to the revolution. It is also quite clear that the mercenary forces have never been able to defeat the EPS. They never have and never will—particularly under the current circumstances.

The mercenary forces have been defeated, even though they have received all kinds of support from the United States; however, the mercenary forces are still capable of sending out small groups to create havoc within our civilian population and to disrupt our economy, thus worsening the economic and material crisis being withstood by our country—basically as a result of the United States' aggression against our homeland.

The United States is interested in keeping the mercenary forces at their bases within Honduran territory and at certain points in Costa Rica to continue its policy of terrorism and economic boycott and to continue spilling our people's blood. The United States is fully aware that it can only expect minor guerrilla activities. Our Army, government, and people will continue to prepare their national defense plans while keeping in mind the threat of a major aggression from the United States—which has not ruled out the possibility. The United States has yet to show signs that it seriously wants to negotiate with the Nicaraguan Government.

We all know that the mercenary forces' presence in Honduras—particularly in Yamales and other populated areas, where they are protected by the Honduran Army—represents a danger, because the United States could create a conflict between the Honduran Armed Forces and the EPS. The Nicaraguan Government, therefore, has instructed our Army to continue with its combat and defense plans. The plans are mainly based on the people's organization in the reserve forces, the Patriotic Military Service, and all the defense systems that our people have a right to organize.

Consequently, we must continue our normal rhythm of preparations and foreign support [aseguramiento externo] so that we can counter the threat of a major aggression from the United States. We must also counter the attacks being perpetrated by the mercenary forces from their bases in Honduras and Costa Rica.

[Reporter] General, what is the current situation in the Gulf of Fonseca and at the camps in Yamales and Capire?

[Ortega] Well, the presence of the mercenary forces' Piranha speedboats in the Gulf of Fonseca tends to increase from time to time. The mercenary forces' activities seriously endangered our main port, Corinto, at one time, and the mercenaries have progressively increased their presence in the Gulf of Fonseca. In fact, several attacks have been perpetrated on our Navy observation posts in the zone of Potosi, Chinandega Department, on Nicaragua's side of the Gulf of Fonseca.

We know that the mercenary forces have plans to systematically increase the Pirahna boats' activities in the gulf, and thus be able to extend and increase their activities when the need arises. This is the situation that prevails in the gulf, and it is part of the alternate plan—given the contras' failure—to provoke a major conflict between Nicaragua and Honduras by keeping the mercenary forces in the zone of Capire, Yamales, and Trojes, in El Paraiso and Choluteca Departments, Honduras.

The mercenary forces were previously located in unpopulated zones within Honduran territory, specifically in Olancho Department and the Atlantic Coast, north of Jinotega Department, Nicaragua. Now the contra camps are being relocated in densely populated and important areas. The mercenary forces can provoke a major conflict any moment, thus causing a clash between the [Honduran and Nicaraguan] land forces and allowing a Honduran Air Force attack on Nicaraguan positions.

Nicaragua continues to strive to reach a negotiated political solution and a permanent cease-fire, but the possibility of a major conflict still exists. The contras are still trying to create a major conflict at the border to justify the Yankee troops' presence in Honduras. We must, therefore, remain alert and prepare our Army to counter this type of conflict.

[Reporter] Julia Preston, WASHINGTON POST. Following the same line of thought, I would like to know: Are there any plans to reduce recruitment for the Patriotic Military Service? Second, under what conditions would the EPS consider the possibility of reducing its infantry forces?

[Ortega] Each state, each government has the right to build the type of defense that it considers the most appropriate. The Nicaraguan Government has never said that the Armed Forces of the United States, Honduras, Guatemala, Costa Rica, or any country in the world should be reduced, or be a certain size, or be armed in a certain way, or be trained in such a way. Every state and government has the right to decide that.

In Nicaragua's case, Nicaragua has a military doctrine. The government has approved a certain type of Armed Forces and Army, and we will continue to build our defense based on these guidelines. This means that we have chosen a military defense system based on the military characteristics of our doctrine.

Given the mercenary aggression we continue to withstand....[changes thought] The mercenary aggression has not stopped; the United States' threatening presence has not disappeared; and the mercenary forces are still at the border area. Even though the mercenary forces cannot

seize power, they are capable of inflicting damage on our economy and murdering our people. We cannot, therefore, lower our current mobilization levels.

In any case, and under the current circumstances, the size of our Army cannot be negotiated. Simply speaking, the mobilization of forces is determined by each country's plans. In our case, we are at war, so the country must, logically, mobilize more forces. If there were no war, we would still necessarily have to prepare our forces for any military activity. Consequently, we would mobilize more or fewer forces based on the circumstances.

[Reporter] A radio station reported this morning that the counterrevolution has agreed to renew talks with the government provided that political parties are allowed to participate. What is the government's position on this?

[Ortega] First, let me tell you that the mercenaries have never proved that they are willing to negotiate. We have begun negotiations and several points were approved; however, when we entered the phase of the negotiations where peace should have been achieved, the mercenary forces showed their hand. They never wanted to attain peace.

The mercenary forces interrupted and boycotted the Sapoa peace talks and later issued a series of excuses, pretexts, lies, and slanders to deceive the U.S. people and justify the U.S. Congress' military aid. The mercenary forces have repeated the same lies time and time again. They now want to demand conditions for renewing the dialogue, but their conditions are unacceptable. The government has clearly stated that any dialogue with the mercenary forces should take place in Managua and within the same context—meaning with the same government delegation.

The problem is that the arbitrary....[changes thought] Vice President Sergio Ramirez will soon issue a formal statement on this. These politicians—meaning Erick Ramirez and Mauricio Diaz—actually allowed the counterrevolution to manipulate them as unwitting fools, or in any other role, for its campaign. The mercenary forces have yet to prove that they are willing to negotiate, and these men were used to create a stir and to improve the conditions for the United States to approve more military aid.

President Congratulates Libya's Al-Qadhdhafi

PA0509184088 Managua BARRICADA in Spanish 1 Sep 88 p 5

["Message" sent by President Daniel Ortega to Libyan leader Colonel Mu'ammar al-Qadhdhafi on occasion of the 19th anniversary of the Libyan revolution; date not given]

[Text] His Excellency:

Col Mu'ammar al-Qadhdhafi

Leader of the revolution of the Socialist People's Libyan Arab Jamahiriyah,

Dear friend,

On occasion of the 19th anniversary of the triumph of the Socialist People's Libyan Arab Jamahiriyah, and on behalf of the Nicaraguan people and Government and in my own name, I wish to express to you our most sincere congratulations.

The triumph of the Al-Fatah great revolution marked the beginning of a new era of transformations and social changes, which had been denied to the Libyan people for centuries. That revolution became an example worthy of being imitated by all the peoples of the world, who are struggling to free themselves from foreign domination.

On this historic day, we wish to express again our firm determination to strengthen the ties of friendship and solidarity that unite both peoples and governments in the common struggle for the defense of the principles of independence, self-determination, and nonalignment.

Fraternally,

Daniel Ortega Saavedra

Nicaraguan President

Panama

Noriega Visits Costa Rica Border Area

PA0309212588 Panama City ACAN in Spanish 1919 GMT 3 Sep 88

[Text] San Jose, 3 Sep (ACAN-EFE)—Panama Defense Forces Commander Manuel Antonio Noriega stated today that his country "is fighting the last battle for dignity in Latin America."

The military commander, who is visiting Paso de Canoa, a border post on the Costa Rica-Panama border, said his government has responded with dignity to U.S. "aggression" and that its worthy attitude "allows us to set an example" for Latin America.

Noriega, who faces two trials in Florida for alleged involvement with international drug trafficking and who is the center of the political crisis that has shaken his country for more than a year, made these statements to "Radio Monumental," a Costa Rican radio station that interviewed him in Paso de Canoa.

The Defense Forces commander stated that the reason for U.S. "aggression" against Panama is only because Washington has not found a "docile government" but "a government that has dignity and that comes from the revolutionary process" that was initiated by General Omar Torrijos in 1968.

He added that with its attitude, Washington is trying to maintain its military presence in Panama after 1999. According to the "Torrijos-Carter" treaties signed by General Torrijos and then U.S. President Jimmy Carter in 1977, U.S. troops must leave Panama by 1999.

"The United States is looking for an argument, a justification, and is trying to spark it, but we are not going to fall for that trap," the military chief said. Noriega is visiting the area as a guest of Panamanian Legislator Camilo Gozaine who owns several commercial outlets in the Panamanian-Costa Rican border area.

Noriega demanded that Costa Rican officials renew the custom duties exemptions that allowed citizens from both countries to have very busy duty free shops in the area. These exemptions were suspended in July.

"My message to the San Jose [Costa Rica] officials is that their political actions are harming the people," he said and added that border area residents are even "considering not voting in the Costa Rican electons," that are to be held in February 1990, "if the [border area] problem is not resolved."

Noriega added that Panama "is offering to solve the problem because Panama does not want to harm a region that is totally peaceful, because the border does not exist." [sentence as received] He compared the region with the border between Costa Rica and Nicaragua, which has been a source of friction in the past years.

"We must all be human and not be carried away by the cash register," he stated.

Commerce in the border area dropped drastically after Costa Rica suspended custom duties exemptions that allowed Costa Rican citizens to buy clothes and electrical appliances in Panama and Panamanians to buy food in Costa Rica.

Costa Rican opposition parties have accused Legislator Gozaine of pressuring for the renewal of these exemptions (also known as "courtesies") because he has several commercial outlets in the area.

Ritter on U.S. Relations, Presence of Bases
PA0509234688 Madrid EFE in Spanish 2144 GMT 5 Sep 88

[Text] Madrid, 5 Sep (EFE)—Panama wants "to normalize" its relations with the United States, but the Panama Government is not willing to allow U.S. military bases, which should be dismantled in 1999, to remain in Panama in exchange.

Panamanian Foreign Minister Jorge Ritter told EFE today that the United States "wants to force" the Panamanian Government to "renegotiate" the terms of the treaties that permit the presence of at least 10,000 U.S. troops in Panama for the defense of the interoceanic canal.

He did not dismiss, however, that it is possible—once the terms of the existing internationally recognized agreements are fulfilled—"that we can discuss the topic from another perspective, as sovereign countries that owe one another mutual respect."

Countries such as Spain and Greece are currently negotiating military cooperation agreements with the United States, but without any impositions or sanctions such as those Washington is using against Panama, the diplomat noted.

According to Ritter, the U.S. "discredit and disinformation" campaign against "public men and institutions" in Panama only seeks to "bend" the will of the government to extend the deadline for the withdrawal of U.S. troops from the country. The deadline was set by the "Torrijos-Carter" treaties for noon on 31 December 1999.

Those agreeements specify, the minister recalled, that the U.S. military presence in Panama is only justified so long as it is to defend the canal, a mission that is now carried out jointly by the U.S. citizens and Panamanians, but that by the end of the century will be solely in the hands of the Panama Defense Forces.

Ritter stressed that "the United States has vital, strategic interests in Panama," which go beyond the canal and which it is not willing to lose.

The U.S. Southern Command, dedicated to the "defense of U.S. interests" in South America and the Caribbean, operates from the U.S. bases in Panama and must leave the country before the year 2000.

The Panamanian minister added that "whatever the result of the U.S. elections, the intention of that country is to maintain its positions in Panama," and he insited that the only way to discuss those topics—without promises or conditions—is through the respect and sovereign recognition of each country.

Jorge Ritter, who stopped in Madrid en route to Nicosia, where he will participate in the Nonaligned Movement meeting on Monday, met with his Spanish counterpart, Francisco Fernandez Ordonez, which whom he discussed "topics of international politics," including the Panamanian situation.

He took advantage of the interview, he told EFE, to note that Panama is seeking the support of industrialized countries to promote its "deteriorated" economy, traditionally dependent on the United States, a country with which its relations are now "virtually nonexistent."

"In Panama there is an increasing anti-North Americanism that will be difficult to erase and which has done away with a friendly relationship of 25 years. Our relations are at their lowest in history," Ritter stated.

On Relations With USSR, Others

PA0209194488 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Sep 88

[Text] According to Foreign Minister Jorge Ritter, Panama plans to diversify its foreign relations contacts. He responded to reporters' questions on this issue:

[Begin recording] [Ritter] Actually, we are making many efforts to diversify our foreign relations and to broaden our diplomatic relations. I believe that the president and I, from our 1st day at work, pointed out the need for Panama to expand the scope of its international relations. Our diplomatic relations do not correspond at this time with our needs due to the current situation we are experiencing in this country.

[Reporter] Mr Foreign Minister, a Soviet diplomat recently visited us. Are there plans to expand our country's diplomatic relations with the USSR?

[Ritter] He simply came to coordinate some matter related to the approaching UN General Assembly meeting. That was all we discussed. His visit was strictly of a routine nature. If this coordination is not carried out in Panama, then it is done at the United Nations.

[Reporter] What does this coordination entail?

[Ritter] At the United Nations, some 190 resolutions are issued every year. Some countries have more interest than others in various resolutions. Each country expresses what its position will be regarding a specific resolution. This is what his visit was all about. [end recording]

U.S. Helicopters Reportedly Violate Airspace

PA0409201088 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Sep 88 p A-1

[Text] Panama City—Intimidating actions against the people and Government of Panama by U.S. military troops stationed in our country have continued in recent days in spite of the public charges recently voiced by the Panama Defense Forces.

These maneuvers [as published] openly violate the concepts established by the Torrijos-Carter treaties concerning the defense and protection of the interoceanic waterway and are part of the systematic psychological campaign to which our nation has been subjected.

Last week, eight U.S. helicopter gunships with armed crews were reported flying over Arraijan District and alarming the residents.

A source from the joint board of the general command of the Security and Defense Commission said that 1420-1530, the helicopters, in formation and flying below 1,000 feet, passed over heavily populated areas without any coordination or authorization.

Meanwhile, Panama Radio [as published] registered that eight UH-60 helicopters identified as Shadow 34 [as published] took off from Howard Air Force Base at 1336 on the afternoon of 2 August and landed at the same airfield 9 hours later, without making any contact with Panama Radio.

The Panamanian authorities remain alert over the constant violations of our airspace and bring up these open provocations before the national and international community.

Opposition Absent From Assembly Opening

PA0209195488 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Sep 88

[Text] The National Legislative Assembly began its final period of regular sessions without the participation of the opposition. Christian Democratic Party [PDC] Legislator Guillermo Cochez comments on the matter.

[Begin recording] [Cochez] The legislators of the Authentic Panamamenist Party, the Nationalist Liberal Republican Movement, and the PDC jointly decided not to participate in the ceremony to inaugurate the fifth period of sessions today. We had several reasons: For one thing, it signaled our rejection of the board of directors chaired by Legislator Alberto Aleman Boyd. We feel that that board of directors has done the most to undermine legislators' constitutional rights and privileges and the country's legal and constitutional order.

[Reporter] On Monday, will the opposition bloc participate in the sessions?

[Cochez] The three opposition parties agreed to return to the Assembly. We reiterate to the Panamanian nation our commitment to a peaceful and pacifist struggle so the now lost climate of liberty may return to Panama and citizens may regain the constitutional rights they have been deprived as a result of the government's arbitrary actions.

Civic Crusade Spokeman Denies New Talks Sought

PA0309155788 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Sep 88

[Interview with Civic Crusade Coordinator Jose Raul Mulino; date and place not given—recorded]

[Text] [Announcer] Jose Raul Mulino says that the media closures by the government affect public opinion.

[Mulino] In our opinion, the media closures cannot be attributed in any way to alleged foreign manipulations, specifically by the United States, to destabilize the country or jeopardize state security. I believe the closures can be attributed to the fact that the government cannot face the truth.

[Reporter] The Anglican and Catholic Churches have been promoting, practically supporting, another attempt to hold a national dialogue between the forces in power and the opposition political parties. As coordinator of the Civic Crusade, have you participated in any meeting to promote a national dialogue between the government and the political parties?

[Molino] No, we have not participated in any of these new attempts to mediate or hold talks sponsored by any group. We have always expressed our willingness to hold talks as long as there exists—and it is important that this be understood, so I repeat—so long as there exists a favorable climate in which to hold talks and to negotiate politically; a climate in which civic freedom prevails, which is now in fact curtailed; a climate in which respect for civic freedom prevails, and where we are respected as citizens. I do not believe that this should be considered a precondition, as regime spokesmen claim. These are our rights, the rights of the majority of the Panamanian people, which we can never include on a negotiations agenda.

Issuance of Negotiable Checks, Bonds Proposed

PA0309151188 Panama City ACAN in Spanish 2100 GMT 2 Sep 88

[Text] Panama City, 2 Sep (ACAN-EFE)—The Panamanian Government is studying a proposal to issue $70 million worth of checks and $29 million more in bonds to overcome the liquidity crisis the country has been experiencing for more than 15 months and the U.S. economic sanctions.

The Executive Branch's National Political and Advisory Commission made up of ministers, political and union leaders, and Defense Forces representatives, presented a proposal to this effect, a copy of which was provided to ACAN-EFE.

The proposal also entails minting an additional $1 million worth of coins.

In commenting on the commission's proposal to ACAN-EFE, National Bank Manager Rafael Arosemena said that "any new financial- instrument proposal should be studied very closely, because we must remember that Panama uses the dollar and has done so practically continuously for the last 84 years."

The commission's letter outlining the proposal, which was sent to Panamanian President Manuel Solis Palma, recommends that negotiable instruments be issued "to replace funds restricted" by the U.S. economic embargo.

Solis Palma, in inaugurating the new Legislative Assembly session yesterday, said that the government's income was reduced during the first 6 months of 1988 to $290 million—half of what was budgeted—following the "economic war" unleashed by the United States and the business and political opposition's "domestic aggression."

If the proposal is accepted, the $70 million in checks would be issued in 1-, 5-, 10-, 20-, 50-, and 100-balboa denominations.

The balboa is Panama's official currency and is at par with the U.S. dollar. Panama does not print money and the U.S. currency circulates freely.

The proposal stipulates that the checks will be "temporary, until the Panamanian Government receives payment for services rendered or from taxes."

According to the National Political and Advisory Commission, the bonds "will be redeemable on a short-term basis," and "it is suggested that they be issued on the foreign market."

The freezing of Panamanian funds in U.S. banks and the freezing of payments by U.S. businesses, institutions, and citizens to Panama, including those from canal operations, was decreed by Washington in March and April to pressure General Manuel Antonio Noriega's regime.

President Solis Palma said that the U.S. "economic war" and the "domestic aggression" will cause Panama to lose between $1.5 billion and $2 billion this year.

Commentary Assails Delvalle's Trip to U.S.

PA0309010088 Panama City Televisora Nacional in Spanish 2300 GMT 1 Sep 88

["Today in the World" commentary by Luis Manuel Martinez]

[Text] There are 248 days to go before 7 May [date for scheduled Panamanian presidential election]; 248 days. Today's topic is: The money of the people of Panama. Here you have it on the screen: The money of the people of Panama.

We go to Ocala. Ocala is a small town; a small town in the state of Florida. From there we receive news from the underground president [Eric Arturo Delvalle] who travels on U.S. Air Force airplanes and parades around with the greatest of ease. Tuturo [nickname of Delvalle] is today's topic. His private 10-day visit to the United States is to ask the U.S. State Department to destroy once and for all the Panamanian Government before the 8 November U.S. presidential elections.

Delvalle announced he will hold top-level meetings with U.S. State Department officials. This will be the first time any top-level official has met with him. So far he

has dealt with and obeyed orders from Elliott Abrams, the gentleman that came here—Michael Kozak—and Morton Abramowitz—he is the man who plans conspiracies, subversion, and so forth. Underground Tuturo, who travels with the greatest of ease and is staying in what is termed the former Panama Canal Zone, on a military base, insists upon being installed in the presidency before Christmas. Otherwise he would have to wait for the next change of presidency, on 20 January 1989. On that date, senile and deadly Ronald Wilson Reagan will step down as president. The White House will be at the disposal of the new president. He could be George Bush or Michael Dukakis.

Tuturo will continue asking for his return to the Palace of the Herons [Panamanian presidential palace]. He will continue clamoring for democracy, liberty, and justice. Meanwhile, as this clamoring continues for the consumption of the U.S. news agencies and the newspapers bent on disinformation, Tuturo spends his life as a tourist in the United States. It seems he has forgotten that Panama's election timetable is rapidly advancing.

In Ocala, Tuturo visited the local stables. He purchased the mare "Hometown Girl" and a colt. Both horses will be trained to be sent to Panama at a future date. Tuturo says he plans to race them in a special derby. The promising "Hometown Girl" and the colt will race in a derby that could be called the Imperialist Democracy Derby. Tuturo spent 50,000 smackers on that mare and colt from the funds stolen from the people of Panama. Here is where you will find the Air Panama and National Bank funds; the withheld Panama Canal payments; the withheld taxes; and all the many millions at the disposal of Mr Reagan.

Logically, Tuturo is the direct beneficiary because he asked the United States to take these draconian measures to starve to death a people who profoundly despise him. They [not further identified] are not seeing to it that the measures are repealed with the same vehemence that [Delvalle] and his wife—charming Mariela Diaz de Delvalle—asked for a military invasion of Panama and even a total trade embargo. Far from asking that all those measures be repealed to return to a state of normalcy and to end the country's economic uncertainties, Tuturo worries about improving his stables. He is waiting to be made Panama's democratic president in order to obey U.S. instructions and serve U.S. interests.

Commentary Praises Past U.S. Cooperation

PA0509133888 Panama City Television Service in Spanish 1500 GMT 4 Sep 88

["Special of the Week" station commentary from "Everything for the Fatherland" program of the Panama Defense Forces]

[Text] Long before the Torrijos-Carter treaties were signed, Panamanian and U.S. soldiers were carrying out combined tasks in the fields of training, exchange, and cooperation. Upon the implementation of the treaties, the result of the struggles and sacrifice of several generations of worthy and nationalist Panamanians, the cooperation between both armed forces increased. The joint maneuvers, established in the treaties to train Panamanian and U.S. officers and enlisted men in the protection and defense of the Canal, were based on a revolutionary doctrine that called for joint efforts that would also bring progress and well-being to our country's distant communities.

A new idea was born as a result of the joint military exercises. Not only were soldiers trained in the advanced techniques of low-intensity war, but roads, highways, schools, and health centers were built, bridges repaired, and medical assistance made available to the people. As a result of this new kind of military exercise and the 1985 "Kindle Liberty" maneuvers held in the southern areas of Veraguas Province, a 60-km road was built, which incorporated more than 500,000 hectares of agricultural and cattle-producing areas into the nation's economy. This new road joined many towns between Mariato, Quebros, and Arenas.

General John Galvin, former commander of the Southern Command and currently NATO commander, and General Manuel Antonio Noriega established the basis for this military fraternity.

In 1986, the "Donoso-86" operation also resulted in many works along the Colon Province coastline.

Gen Galvin, a professional soldier aware of his duty, got to know Panama and left signs of his professionalism in various communities throughout the country.

The effort, sacrifice, work, and understanding that built a monument to friendship and military cooperation is being destroyed today by Washington politicians who are urging their Armed Forces to put into subjection a people who, traditionally, have been their friends.

Argentina

Military Upset at Civilian Court 'Interference'

PY0509022988 Buenos Aires BUENOS AIRES HERALD in English 3 Sep 88 p 11

[Excerpt] Army Chief-of-Staff Jose Caridi yesterday met President Raul Alfonsin and Defence Minister Jose Horacio Jaunarena to report on the "unrest" expressed by military officers over civilian magistrates' interference in military matters.

Jaunarena said that military officers who resort to civilian courts to dispute military court rulings "disrupt the chain of command."

He also stressed that the government was "concerned" about the situation sparked by Major Osvaldo Vercelloti and Lieutenant Colonel Hector Di Pasquale, both of whom were recently removed from their posts by Army Chief-of-Staff Jose Caridi for alleged destabilizing maneouvres. They both appealed the order for their removal before a federal court claiming it was "arbitrary" and in Vercelloti's case the court ordered his reincorporation.

Nevertheless, Vercelloti was not allowed to attend classes at the War College yesterday despite a court order to that effect issued by Federal Judge Oscar Garzon Funes, his defence attorney reported.

The attorney said that although the college's deputy dean claimed he had received no orders to allow the major to attend classes at that institution, the notification of Judge Garzon Funes' order had reached Army headquarters on Thursday morning.

Court sources confirmed that the Army High Command would appeal the federal court's ruling, while neither Caridi nor the Army are expected to accept the federal courts' questioning of their competence, although the reformed military code of justice grants the civilian sphere competence in case of a disagreement. Furthermore, the possibility of top military echelons resigning en masse or of a conflict between the different powers was discussed in political circles yesterday.

The situation turned even more delicate when the Supreme Court issued several rulings yesterday allowing certain federal courts to pursue cases against former high-ranking Army and Navy chiefs charged with violating human rights.

One ruling upheld the Rosario Federal Appeals Court's competence to try those involved in the so-called Margarita Belen massacre, in which a group of alleged subversives who were being transferred from a maximum-security jail in Chaco to another in Formosa aboard Army trucks were killed in what was made to look like an armed confrontation, but is in fact believed to have been a summary execution. [passage omitted]

Alfonsin Appeals Decision

PY0509164188 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1400 GMT 5 Sep 88

[Text] Buenos Aires, 5 Sep (NA)—The executive branch today filed a note with Judge Oscar Garzon Funes asking him to cancel a decision that authorized Major Hugo Vercelloti to attend classes at the War College, a government source has reported.

The five-page note, which is signed by President Raul Alfonsin in his capacity as Armed Forces commander in chief, states that the decision to remove Maj Vercelloti from his post was an "administrative" measure, with which "a judge cannot interfere."

Brutens-Led Soviet Delegation Arrives for Visit

PY0509015088 Buenos Aires TELAM in Spanish 1845 GMT 4 Sep 88

[Text] Buenos Aires, 4 Sep (TELAM)—Sources of the Communist Party of Argentina today confirmed that a CPSU delegation headed by Karen Brutens, deputy chief of the CPSU Central Committee International Department, has arrived in Buenos Aires and will begin its activities tomorrow.

The Soviet delegation, which left Moscow on 2 September, arrived at noon today at the Ezeiza International Airport and was welcomed by PCA Secretary General Athos Fava, Soviet Embassy officials, and Argentine Communist leaders.

The sources said that the Soviet delegation was invited by the PCA, but that the visit is the result of the meeting held about 1 month ago in Montevideo by the representatives of the Communist Parties of Uruguay, Chile, and Argentina with CPSU officials.

There were reportedly disagreements among the Communists of the Southern Cone during the Montevideo meeting. Uruguayan Communist Party leader Rodney Arismendi reportedly criticized the leadership of Patricio Echegaray, of the PCA, who agrees with the violence advocated by the Manuel Rodriguez Patriotic Front, which is a wing of the Communist Party of Chile.

Arismendi reportedly agreed with a sector of the Chilean Communists who want to join the democratic opposition to face Pinochet. Frictions reportedly occurred during the meeting. Some of the frictions were reportedly linked to the expulsions in the PCA in the last few months that were ordered by the Echegaray sector.

It is possible that the Soviet delegation will make an evaluation of the contacts the PCA is currently conducting with the ultra-leftist and Trotskiyite groups. Leftist sectors are divided on preparations for the Argentine general elections next year.

During a recent news conference, Patricio Echegaray said that he was planning to continue his political activities this month, but his activities will probably be postponed because the PCA will be busy with the Soviet delegation.

Iranian Ship Departs With Military Cargo

PY0309223088 Buenos Aires DYN in Spanish 2116 GMT 3 Sep 88

[Text] Bahia Blanca, 3 Sep (DYN)—A ship loaded with 2,000 tons of military materiel, comprising Argentina-made ammunition, rifles, and 81- and 120-mm mortars, and 31,500 tons of sorghum left for Iran today after loading for 2 days at the port of Ingeniero White.

The military materiel, manufactured at Military Industries [FM] facilities in Cordoba and Rosario, was taken on board inside containers bearing the logo of the state corporation, FM, in black letters on a white background, according to sources of the shipping agency that handled the sorghum cargo.

The loading was finished at noon today and the ship departed with the help of two tugboats.

Coast Guard sources reported that during the 2 days the ship was docked at Ingeniero White, which is near the Puerto Belgrano Naval Base, the crew did not hesitate to say that "the abundant information on the cargo the ship was carrying was dangerous for the ship's return voyage."

They said that the information "jeopardizes the final part of the journey through the Persian Gulf," an area which is still sensitive because of the more than 7 years of war between Iran and Iraq which have just accepted a cease-fire ordered by the United Nations.

Some of the crewmembers admitted that the Iranian Government might order part of the shipment to be transferred at some unspecified point of the journey before the ship enters what they described as a "sensitive" area of the Persian Gulf.

The captain of the "Gran Sadr" [name as received] and 7 crew members are Pakistani, while the other 27 crew members are Iranians.

Although the information could not be confirmed, the vessel may be going to the port of Bandar-e 'Abbas (Iran), which means that it would not have to go through the Strait of Hormuz.

According to reports, the ship is carrying 20,000 tons of sorghum loaded in Rosario and 10,800 tons of sorghum loaded in Ingeniero White. [figures as received] The ammunition apparently arrived by train from Rosario and Cordoba, where one of the convoys had to stop at the Rio Cuarto railroad station because of technical problems.

The weapons were covered with tarps bearing the following inscription: "Defense Ministry—Islamic Republic."

According to some sources, the military materiel is made up of rifles, ammunition, and 81- and 120-mm mortars.

During the ship's stay in Ingeniero White, a discreet surveillance aimed at making sure that everything went smoothly was noticed.

The freighter docked at the local port shortly after a freight convoy of 60 railroad cars and a fleet of trucks carrying containers with the FM logo arrived in Puerto Belgrano Naval Base.

Some of the trucks were coming from Villa Maria and Rio Tercero, Cordoba. All the materiel has apparently been purchased by Iran through a strictly secret military accord.

Bolivia

Armed Forces 'Infuriated' at U.S. Charges

PY0309003388 La Paz La Red Panamericana in Spanish 0000 GMT 3 Sep 88

[Text] The Armed Forces High Command has officially asked the Bolivian Foreign Ministry to present a note to the U.S. Government regarding the U.S. State Department report that charges the Bolivian Armed Forces with corruption.

Armed Forces Commander in Chief General Jorge Rodriguez Bravo has stated that the accusations of corruption have called our attention and have infuriated us, not only the officers, but the Armed Forces in general. He added that the accusations are unfounded.

MNR Convention Nominates Presidential Candidate

PY0509133088 La Paz La Red Panamericana in Spanish 1130 GMT 5 Sep 88

[Text] MNR Presidium President Julio Garrett has said that on 4 September the MNR ended its convention in an atmosphere of total unity. At yesterday's session, which was presided over by Dr Garrett, the convention approved resolutions in internal affairs and on cases involving some Bolivian regions. Garrett installed MNR national leader Dr Victor Paz Estenssoro, who in turn installed the members of the new Executive Committee which, for the first time in the history of the party, will have three deputy chairmen.

The convention also approved a resolution nominating Gonzalo Sanchez de Lozada as MNR presidential candidate for the 1989 general elections.

The convention also designated the members of the court of honor, which will be made up of Gaston Velazco, Rolando Zumaran, Arauco Paz, Angel Gomez Garcia, Hernan Torres, and Guillermo Vilela.

At yesterday's session, the presidential hopefuls managed to reach an agreement, thus avoiding unwanted situations. The MNR leaders stressed the positive results of the convention, pointing out that this will make it possible for the party to obtain a satisfactory result in the upcoming general elections.

Deputies Support Chileans, Condemn Pinochet

PY0209015488 La Paz La Red Panamericana in Spanish 0000 GMT 2 Sep 88

[Text] The Chamber of Deputies has approved a declaration in which it conveys its unwavering solidarity with the Chilean people's struggle to regain free exercise of their rights.

The declaration condemns the Chilean regime's attempt to perpetuate itself in office through a tyrannical rule, that is, through the illegitimate continuation in office of dictator Augusto Pinochet, the most notorious representative of the regime.

The declaration was signed by deputies of the Movement of the Revolutionary Left, the ADN, MNR of the left, the 9th April Revolutionary Vanguard, and other blocs.

Bedregal To Head Nonaligned Meeting Delegation

PY0509185088 Madrid EFE in Spanish 2215 GMT 4 Sep 88

[Text] La Paz, 4 Sep (EFE)—According to official sources, the Bolivian delegation that will participate on 6 September in the conference of foreign ministries of the Nonaligned Movement, to be held in Cyprus, will make the problem of drug trafficking one of its main subjects.

Bolivia will propose to the aforementioned international forum the need for drug producer and consumer countries to carry out joint projects against the production, trafficking, and consumption of drugs.

The Bolivian delegation will also raise the need to find a negotiated and political solution to the Third World foreign debt problem.

According to the same sources, the Bolivian delegation will also reiterate its request for solidarity in its quest for a sea outlet. The delegation members will explain in detail the negotiations carried out in 1987 with the Chilean authorities, before the talks were thwarted by General Augusto Pinochet.

During the conference in Cyprus, which will last 5 days, participants will discuss the nuclear disarmament process, the cease-fire between Iran and Iraq, and other issues of world interest.

The Bolivian delegation will be headed by Foreign Minister Guillermo Bedregal and other high-ranking Foreign Ministry officials, who will leave for Nicosia tomorrow.

Brazil

Assembly Concludes Vote on Constitution

PY0209143288 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Sep 88

[By Aparecida Ferreira]

[Text] After 18 months of work, the Constituent Assembly has closed the second round of voting amid festivities and the sound of the national anthem. Emotion and exhaustion marked the Constituent Assembly plenum's atmosphere at the end of the voting round. The closing session honored many: The Constituent Assembly members thanked the Lord for his help, recalled dead Assembly members, and remembered the late President Tancredo Neves. Ulysses Guimaraes was the most-applauded personality, but President Sarney was not forgotten.

The Assembly members also thanked reporters for covering these 18 months of work. All members agreed that the results of these 18 months were positive, although many of them realize the country will have great difficulty in adapting to the changes of the next few years. All agreed, however, that the text of this new constitution is entirely Brazilian.

In his speech at the closing of the Assembly's work early this morning, Ulysses Guimaraes made this point very clear: Guimaraes said the text of the constitution must reach all corners of the country to be the testimony of the strong, to be the shelter and protector of the weak, and to be like Moses guiding the helpless people toward the full use of their citizens' rights. Deeply moved, Ulysses Guimaraes said:

[Begin recording] May it be the herald of hope. Hope is the evidence that man can win. May this text be like a protecting brother to the poor, who can only be saved by law and justice; may it be like a Moses who leads millions of destitute to the promised land of fulfilled citizens' rights; may it not be kept on shelves; may it reach each and every corner of the country; may it look at the people and listen to their claims; may it use its eyes more than its ears, because by looking at things once we learn more than by listening to things a hundred times; may this text leave the Constituent Assembly, where it was born, to serve the fatherland, grant its progress, and promote its social and political security. [end recording]

The ceremony was closed with the national anthem and under a shower of confetti.

To Be Promulgated 5 Oct

PY0309004988 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 2 Sep 88

[Excerpt] [Passage omitted] Deputy Ulysses Guimaraes has already set the date for the new constitution.

It will take place on 5 October at a festive ceremony that will be attended by representatives from many countries.

Sarney Discusses New Constitution, Economy

PY0309013488 Brasilia Domestic Service in Portuguese 2200 GMT 2 Sep 88

[Passages within quotation marks recorded]

[Text] During his weekly "Chatting by the Radio" program President Sarney discussed the conclusion of the Constituent Assembly which, he said, completed its work in an atmosphere of peace, without violence or disruptions.

Sarney said democracy does not mean anarchy, disorder, or arrogance. Democracy means to be prepared to win or to lose, it is government by the majority, with respect for the rights of minorities.

[Sarney] "I have criticized many points of the new constitution. My criticism was prompted by patriotism, by my vision as president, and by my desire to make Brazil move on a path leading to progress and institutionalization. I never made any criticism for personal reasons or for partisan or selfish political reasons.

"Yet, as soon as the constitution is approved, I will make every effort to make it feasible, to comply with it, and to make it an instrument at the service of the Brazilian people and for state of law."

Sarney noted that the 1989 federal draft budget submitted to Congress took into account the new constitutional provisions. He said he is taking every measure to successfully apply the new constitutional provisions.

Sarney added that although it is difficult to give up power, he has done so from the time of his inauguration to decentralize the government, to delegate presidential powers.

[Sarney] "Time and again I have talked about a strong congress that would be able to check on the executive branch and to help it implement public acts. We will now have that type of Congress. This also entails greater responsibility for our congressmen, who cannot act out of partisan or selfish interests.

"From now on, politics will have to be exercised with ideas, with programs, with generosity. Otherwise, the new federation, the new constitution could fail and could not measure up to the expectations of the members of the Constituent Assembly."

Sarney said the time has come for Brazil to take a decisive step in its political habits. The 19th century congress, which was marked by rhetoric, should be replaced by a modern congress dedicated to work through committees and checking on the other branches.

In his speech, Sarney also commented on an article published in a Sao Paulo newspaper reporting that the Brazilian GDP grew 157 [as heard] times from 1980 to 1987. This growth rate is higher than those reported in Japan and the United States.

[Sarney] "Upon reading this report, I cannot fail to remind all Brazilians that Brazil has grown by 21 percent during my government. Our country had the highest growth rate in the Western world. Had it not been for Brazil, Latin America would have had a negative growth rate during these last years.

"The growth achieved by Brazil during more than 6 years is certainly not owed to those pessimistic people, to those who did not believe in our country, to those who predicted chaos, to those who became rich to the detriment of our progress, to those speculators, or to those who advocated negativism and chaos."

Sarney thanked all Brazilians for the progress they have made in building the nation.

Nobrega on Speculation, Debt, Public Deficit

PY0609023888 Brasilia Domestic Service in Portuguese 2200 GMT 5 Sep 88

[Excerpts] In a lecture at the War College today, Finance Minister Mailson da Nobrega told the audience that the government will not adopt artificial measures to put an end to speculation on the dollar black market. [passage omitted]

Minister Nobrega commented on the problems being faced by the Brazilian economy and the origin of these problems. He also analyzed the difficulties being experienced by the public sector.

Regarding the foreign debt, the finance minister said Brazil should gradually reduce its trade surpluses by importing more. This way, it will recover its economic growth and cease to be an exporter of capital.

The minister deemed the increase in the price of the dollar on the black market as a normal reaction to the decision to hold the annual bank interest rate to 12 percent, which alarmed the people. [passage omitted]

Minister Mailson da Nobrega also commented on the public deficit and said that it is tending to decrease. He added that the government will try its best to limit the 1989 public deficit to 2 percent of the GDP.

Reaction To Assembly Fixing Interest Rates

Auction Suspended

PY0209230388 Rio de Janeiro O GLOBO in Portuguese 1 Sep 88 p 1

[Text] As a reaction to the Constituent Assembly's decision to fix annual bank interest rates at 12 percent, the Central Bank has suspended the auction of 350

million OTN [National Treasury Bonds]—which are worth nearly 837.2 billion cruzados—that were to have been sold today. Finance Ministry Secretary General Paulo Cesar Ximenes said the decision on bank interest will destroy the country's monetary policy. National Treasury Secretary Luiz Antonio Goncalves warned that the government will not be able to finance the public debt by issuing bonds aimed at collecting funds to cover the public deficit.

The Constituent Assembly has also speedily approved the articles establishing that only the state can sell blood, and granting amnesty to public employees who, since 1979, have been dismissed for staging strikes or for political reasons. The Constituent Assembly's second round of voting will probably end today.

'Bumpy Day' on Market

PY0409034888 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Sep 88 p 1

[Text] The financial market experienced another bumpy day yesterday after the Constituent Assembly fixed annual bank interest rates at 12 percent on Thursday. The Central Bank increased overnight [preceding word in English] interest rates from 28.66 percent to 29.04 percent per month. The objective of this move was to attract investors to the financial market in view of the increase of the prices of the U.S. dollar and gold. Amid rumors about impending economic shock measures and a maxidevaluation of the cruzado, the U.S. dollar exchange rate on the "black" [preceding word in English] market climbed from 490 cruzados to 530 cruzados per dollar. The price of gold rose 5.05 percent at the Sao Paulo Commodities Exchange and 3.02 percent at the Commercial and Futures Exchange.

Chile

Ministry Official on Lifting Prohibition

PY0209033588 Santiago Radio Chilena Network in Spanish 2300 GMT 1 Sep 88

[Text] Interior Ministry Under Secretary Alberto Cardemil, in addition to disclosing Decree No 313 lifting the prohibition on the return of exiles, noted that this measure benefits the 430 people still living in exile who are now authorized to enter the country.

Cardemil added that this figure includes the 177 persons sentenced to exile by the judicial process. He noted that those people voluntarily left the country, taking advantage of an option issued by the court that sentenced them. The under secretary went on to say that these people will now have to settle their legal situation with the courts that originally sentenced them.

Regarding the case of Luis Corvalan, the Communist Party general secretary for example, Cardemil said that his case falls under a ban that was lifted for all those in exile.

Moreover, another high-ranking government source added that the measure also favors those who, in addition to being prohibited from entering the country, were also stripped of their Chilean citizenship. The source said that these people may return to the country as foreigners and resort to the courts to solve their problem.

Opposition Holds Large Anti-Pinochet Rally

PY0409202588 Madrid EFE in Spanish 1914 GMT 4 Sep 88

[Text] Santiago, 4 Sep (EFE)—Today thousands of people opposing the Chilean military regime held the first massive demonstration in Santiago since General Augusto Pinochet was nominated by the Armed Forces as the presidential candidate for the 5 October plebiscite.

The public rally, which was held about 20 blocks from the presidential palace, was organized by the Social Agreement for the No-Vote, ACUSO, which is an opposition organization representing the majority of the social and union organizations of the country.

The only speaker during the rally was Christian Democrat Hector Moya, ACUSO coordinator and transportation union leader. The demonstration covered about 30 blocks of Vicuna Mackenna Avenue which is one of the main avenues of Santiago.

Moya said that "The Chilean people have been witness to and victim of an implacable dictatorial regime that has corroded the basis of our society."

He added: "We and the world have been witnesses to the institutionalized violence and the continual violation of human rights."

Moya called on Chileans to vote no in the 5 October plebiscite, that is, to reject the candidacy of Gen Augusto Pinochet, who wants to govern for another 8-year period starting March 1989.

Moya said that Pinochet "has not received any invitations from abroad. He is internationally isolated, and he has been condemned by the United Nations and humiliated by the world press."

At the conclusion of the rally, thousands of people marched downtown, clashing with the Carabineros (militarized police) in front of La Moneda Palace. The police used a water cannon and tear gas against the demonstrators.

Rally Ends in Violence

PY0509131388 Santiago Domestic Service in Spanish 1030 GMT 5 Sep 88

[Text] Street riots and cases of looting and vandalism followed an opposition rally, during which a total of 227 people were arrested.

Christian Democrat Hector Moya, leader of a teamsters union, gave a speech which did not arouse the enthusiasm of the No-vote supporters who attended the rally on Vicuna Mackenna Avenue in Santiago.

Those who participated in the rally seemed to be more interested in a spectacle during which opposition artists, such as comedian Florcita Motuda, sang antigovernment songs.

Some political leaders participating in the rally even danced a waltz, which reminded many of a similar scene some 15 years ago, when Cuban dictators Fidel Castro and Socialist Jaime Suarez did something similar.

In his speech, Moya urged the people to vote no and reject Pinochet's candidacy.

The spectacle ended with a rock concert by Los Prisoneros, who played some of their opposition songs which are very popular with their fans.

Up to this point, the rally was quite calm, except for some insults against the chief of state and government and some isolated cases of violence by small groups.

However, when the rally ended, several groups marched toward the downtown area causing serious incidents on the corners of Vaquedano Square and Bernardo O'Higgins Avenue. These groups seemed to be acting on Socialist Ricardo Lago's comment during the rally that the streets were now theirs. Columns of demonstrators stood on the flower beds in the middle of the Bernardo O'Higgins Avenue, in front of La Moneda Palace, where they shouted slogans and insults against the regime, ignoring Carabineros' appeals made over the loud speakers to either continue with their march or disperse.

When Carabineros' requests were ignored, a water cannon was turned on the demonstrators, then a tear gas bomb was thrown. The incidents in the sector lasted some 5 minutes until the avenue was cleared.

More violence was reported near Vaquedano Square and Vicuna Mackenna Avenue where the demonstrators tried to build barricades and bonfires. The demonstrators, who spread out up to Ahumada Boulevard and Estado Street, threw stones at security forces' vehicles and area stores.

Due to the aforementioned incidents, 227 persons were arrested and several wounded. One of the wounded was indentified as Marcos Espinoza, 18, who fell off the roof of the (Mellafe Salas) factory on Vicuna Mackenna Street where several individuals climbed to watch rally.

Over 300 Arrested

PY0509015988 Madrid EFE in Spanish 0044 GMT 5 Sep 88

[Text] Santiago, 4 Sep (EFE)—Over 300 people were arrested today by Carabineros (militarized police) during violent clashes with demonstrators after a rally attended by approximately 400,000 people.

The government news agency ORBE reported that Marcos Espinoza Alcaino, 18 years of age, suffered several fractures when he fell from the roof of a building where he was watching the demonstration.

At the conclusion of the rally, thousands of demonstrators marched on Santiago streets toward La Moneda presidential palace.

Carabineros special forces using a water cannon and tear gas broke up the demonstrations, and the demonstrators withdrew to Santa Lucia Hill, which is about five blocks from the palace.

From there the demonstrators took shrubbery, rocks, and benches to Bernardo O'Higgins Avenue, Santiago's manin avenue, and set up barricades. When Carabineros came to clear the street, a real battle ensued.

Later, a heavy rain, which calmed the people down, fell on Santiago, washed away the smell of tear gas, and normalized downtown traffic.

Today's demonstration was the first public rally organized by the opposition since the nomination of General Augusto Pinochet on 30 August by the Armed Forces as the plebiscite candidate.

One Injured by Bomb

PA0409183388 Paris AFP in Spanish 1751 GMT 4 Sep 88

[Text] Santiago, Chile, 4 Sep (AFP)—Today a bomb exploded in Santiago in the midst of a crowd of demonstrators who were attending a rally to oppose the presidential nomination of General Augusto Pinochet, police sources have reported.

One old lady was injured by the explosion which occurred near a stand where a speaker was addressing the demonstrators, Radio Chilena reported from the site of the incident.

Two Carabineros Wounded

PY0509190988 Santiago Domestic Service in Spanish 1700 GMT 5 Sep 88

[Relay from Arica by Patricio Ramirez]

[Text] Two Carabineros sustained bullet wounds when a group of unidentified people opened fire at a Carabinero van transporting a group of arrested persons from the Tucapel region to a Carabineros station.

The incident took place at approximately 2125 last night, 50 meters from the Tucapel circle.

According to disclosed reports, during a demonstration carried out by government opponents, a group of unidentified people sheltered by the darkness and taking advantage of a power outage, opened fire on a Carabinero van. Lieutenant Mario Carrillo Mendoza was seriously wounded on the left foot where the bullet remained lodged and Carabinero officer Hernan Letelier Gutierrez was slightly wounded on the right foot.

A total of 13 people were arrested at the site and at least 8 bullet shells were found. The wounded Carabineros were immediately taken to a first air post where they are recovering from their wounds.

Allende's Labor Minister Calderon Returns

PY0309231888 Buenos Aires TELAM in Spanish 2003 GMT 3 Sep 88

[Text] Santiago de Chile, 3 Sep (TELAM-ANSA)—Today Rolando Calderon, former labor minister under the late President Salvador Allende's administration, arrived in Chile after living in exile for 15 years.

Calderon, who arrived from Buenos Aires, joined other Chilean leaders who had also been in exile, and who had arrived in Chile in the last few hours like former Minister Jose Oyarce, former Socialist Deputy Fidelma Allende, and other leftist leaders.

Today Salvador Allende's daughter, Isabel, said that the exile has not yet ended and called for the release of political prisoners, following a visit she paid to former Socialist Foreign Minister Clodomiro Almeyda in prison.

Upon his arrival, Calderon said that he was deeply moved (because) the lifting of the ban on the return of exiles is the result of the Chilean people's struggle. He added: I trust in the victory of the Chilean people on 5 October, the date of the presidential plebiscite.

Leftist Leaders Stripped of Nationalities

PY0609030388 Santiago Domestic Service in Spanish 2300 GMT 5 Sep 88

[Text] Eight people lost their Chilean nationality for violating article 11 of the 1980 Constitution. These people will be allowed to enter Chile only as foreigners.

This measure currently affects seven people, since Orlando Letelier died in Washington after a terrorist attack which is being investigated. The names of the seven are Anselmo Sule Candia, lawyer and former congressman; Volodia Teitelboim, writer, journalist, and former PCCh senator; Hugo Vigorena, former Chilean ambassador to Mexico during the Popular Unity administration; (Jaime Suarez Macidas), former minister, secretary general of Allende's government; Ernesto Araneda Briones, former PCCh senator; Luis Menezes Abendano, former CUT [Single Chilean Workers Center] leader; and Sergio Poblete Garcia, former FACh [Chilean Air Force] officer.

According to the last paragraph of Article 11, their nationalities can only be recovered through legislation.

Colombia

Political Sectors React to Peace Proposal

PA0309032488 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Sep 88

[Passages within quotation marks are recorded]

[Excerpt] All Colombian sectors have begun to discuss the pros and cons of Colombian President Virgilio Barco's peace proposal. Liberals consider it a serious plan. The opposition, however, thinks the proposal started the wrong way and arrived 2 years late. The Social Conservative Party has said it will not hamper Barco's peace process. These are some of the reactions.

According to former President Misael Pastrana, the plan does not carry a sense of urgency. He said the proposal takes for granted that dialogue is not essential, which explains why the plan discusses it only at the end. According to Pastrana, the plan is so broad, it creates confusion and uncertainty although it is full of good intentions.

Liberal Senator Edmundo Lopez supports Barco's plan:

"The subversives have this document; they can make suggestions so a direct dialogue can be initiated as soon as possible. I expect a counterproposal, but in the framework of a true possibility, not to exclude direct dialogue or the peace process."

Patriotic Unity President Jaramillo said this is not a plan of reconciliation, but one of surrender. He pointed out the resulting political and military defeat of the guerrillas and added the plan should work the other way around. As it is, surrender is proposed first, then dialogue.

According to Social Conservative Senator Alvaro Leyva, the government's peace initiative has been forced by the aftermath of Alvaro Gomez' kidnapping and release:

"I knew it was up to the government to make its move, but I did not want to criticize it because then it would have been said: Damned if you do and damned if you don't. I think the plan lacks aggressiveness. I cannot imagine the subversives coming to the government by themselves and saying: Here we are. We have to have a mechanism to induce them to sit down and talk. You can rest assured they will not come for free. It is, nevertheless, encouraging to see the government finally making up its mind with this proposal."

Jacobo Arenas, of the FARC Secretariat, described the government's peace initiative as interesting and said: This is a beginning. [passage omitted]

Special Operations Police Captain Assassinated

PA0309210788 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 3 Sep 88

[Text] A few minutes ago, Captain Luis Pena Rodriguez was shot to death in downtown Bogota. He was commander of the Special Operations Group, GOES. The killing occurred at 11th Street and 15th Avenue in Bogota. The police officer was traveling in a police vehicle when he was shot by an alleged paid killer wearing a sweatshirt. Carlos Castaneda, one of Capt Pena's escorts, was also killed during the attack.

At this time there is an intense investigation at the scene of the killing. It is expected that more details will be available later.

Here are additional details on the killing of Capt Pena, by newsman Oscar Galvis.

[Begin Galvis recording] While police at Eldorado International Airport seized a cocaine shipment, in another area of Bogota, Capt Luis Pena Rodriguez, commander of the Special Operations Group, GOES, was assassinated. The incident occurred at 11th Street and 15th Avenue in the San Martin sector when two men on foot fired several times at the police officer and his driver. Capt Pena Rodriguez had been on the police force for 12 years and was a former member of F-2 [military intelligence].

At this time, the authorities have turned the body over to the coroner. The police officer's driver was also killed. The authorities have arrested two suspects. [end recording]

Police Seize Biggest Cocaine Haul in 2 Years

PA0609040688 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 4 Sep 88

[Text] More than 1000 kg of cocaine was seized this morning. This represents the biggest blow inflicted on drug traffickers in the past 2 years. The drug was seized in Bogota's El Dorado Airport.

The cocaine was to be loaded on an Eastern Airline plane bound for Los Angeles [as heard]. No one was arrested.

The seizure was the climax of an operation that began 8 days ago in coordination with the DEA office in Miami. The police's narcotics division F-2 [intelligence division] determined that the drug was going to be loaded on an Eastern plane. Eastern Airline planes are not searched in the United States.

The cocaine was camouflaged in containers. This morning, the F-2 was waiting to see who would be traveling on the airplane. A decision was made to let the plane take off in order to capture the band and their contact in the United States.

No one boarded the plane, however, and it was then decided to seize the 1,072 kg of cocaine. The cocaine was mixed with recently toasted grained coffee to elude detection by dogs.

The commercial value of the cargo has been estimated at 3.5 billion pesos. The amount of cocaine seized in this operation is larger than the total amount seized as a result of all the operations carried out last year.

The big cocaine cargo remained at the airport terminal throughout the night. This morning, when the plane was ready to depart to Miami, the cocaine was seized.

Ecuador

Borja on Economic 'Crisis,' Debt Situation

PA0209152988 Quito Voz de los Andes in Spanish 1215 GMT 2 Sep 88

[Text] In a radio and television network interview, the first one since he was sworn in, President Dr Rodrigo Borja said that the intelligence and patriotism of the Ecuadoran people allows them to understand that the government has been forced to adopt urgent measures to solve the country's grave economic problems. The president added:

[Begin recording] No one regrets more than I do that we had to adopt these measures to face the crisis. We had no other alternative once I realized that Ecuador's economic situation was worse than I thought—worse than the false reports issued by the previous government. We had to attain power to obtain, for the first time, reliable information on the national situation. All the past reports were just lies. The figures were distorted, the

books were juggled to hide the seriousness of the catastrophe. Loans from the Central Bank to the government were not registered. In sum, there was an attempt to hide by all means the monstrous reality of debt and bankruptcy in the country.

The most painful decision was to raise the price of some fuels, because this measure affects drivers. I tried by all means to avoid doing this. I searched for all kinds of alternatives, but not one of the alternatives was sufficient to obtain the large sums of money the government needs to cover the huge 490-billion sucre fiscal deficit, which is the highest in the country's history.

I had no other option but to make the anguished decision to admit the economic reality and authorize this measure.

To give you an idea of the crisis we have inherited, it would suffice to say that in the past 4 years the country's foreign debt increased from $7.596 billion to $11.034 billion—in other words, a 45-percent increase. The international monetary reserves, which is the sum of all dollars, foreign exchange, and other securities that can be used to import the goods Ecuador needs for its development, was not $56 million, as the previous government officials reported. There is instead a negative balance of $320 million, which means we have no international monetary reserves. It would suffice to say that all we have are debts and overdue bills; that price increases caused by the wrong economic policy of the previous regime totaled 63 percent annually; and that the public sector deficit is 490 billion sucres, the highest ever recorded. [end recording]

Dr Rodrigo Borja also said that we should all strive to solve the country's problems. I quote: The measures we have adopted—for which I as president of the Republic take full responsibility—are aimed at equitably distributing the burden of the struggle against the crisis, unquote.

Transport Union Protests New Fuel Price, Rates

PA0509125388 Quito Voz de los Andes in Spanish 1230 GMT 3 Sep 88

[Text] (Abel Linda Cajamarca), secretary general of the Ecuadoran Transport Federation [FET], has said the transportation sector has parked all its vehicles because there has been no adjustment in the new urban and interprovincial transportation and taxi fares following the fuel price increase:

[Begin (Linda) recording, in progress] ...compensate for the economic differences between the package of measures adopted and the transportation rates. The companeros were forced to park their vehicles after they exhausted their old 90-sucre fuel, because the new rates are not in accord with the fuel price increase. We regret that the governments—I am not referring to the current government but the former governments—did not implement serious and responsible policies to handle the Ecuadoran land transportation sector. Our sector contributes daily to the development of the country, but it has never received any type of encouragement from the government. Therefore, the vehicles will remain parked until the government offers a dialogue within the framework of the [words indistinct] announced by the president and until we find a happy medium that will benefit the transportation sector. [end recording]

Regarding the National Transportation Council's decision to increase the transportation rates 20 percent, (Linda Cajamarca) said:

[Begin recording] The National Transportation Council only repeated the government minister's statement regarding the 20-percent rate increase. The National Transportation Council only ratified what the minister said 24 hours earlier. [passage indistinct]

The various transportation sectors studied this matter and have issued a statement. They have appointed a commission to study the new rates and once they submit their findings, we will decide what our next step will be. [end recording]

Paraguay

Official: Stroessner Health 'Very Good'

PY0209165888 Asuncion RPC Television Network in Spanish 1600 GMT 2 Sep 88

[Text] This morning the RPC Television Network was able to obtain official information on the health of President Alfredo Stroessner. Juan Jose Benitez Rickman, under secretary of information and culture of the Presidency, gave this station an official report on the condition of the president.

[Begin Benitez recording] Above all I would like to say that every person has the obligation to protect his health and to prevent illness. It is normal for people to have periodic medical checkups. I would like to report that the health of the president is very good. He is currently discussing with the director of protocol the plans and agenda for his presidential visit to the Republic of China, which will probably take place on the fifth [month not specified; trip had been announced for October 10]. Everything is fine, thank God; there are no problems. [end recording]

Opposition Leader Hermes Saguier Arrested

PY0409224888 Asuncion EL DIARIO in Spanish 4 Sep 88 p 9

[Text] Opposition leader Hermes Rafael Saguier was arrested yesterday at approximately 1800 upon returning from Buenos Aires, where he attended the meeting of Latin American parliamentarians.

Saguier is a member of the Popular Mobilization for Change Movement headed by his brother Miguel Abdon Saguier.

A spokesman of the Authentic Radical Liberal Party told EL DIARIO that Hermes Saguier was arrested when he crossed the Paraguayan-Argentine border at the San Ignacio de Loyola bridge, which links Clorinda, Argentina, with Puerto Falcon, Paraguay.

The spokesman said that "apparently he was taken to the police headquarters by the policemen who arrested him."

Released 3 Sep

PY0509143988 Asuncion EL DIARIO in Spanish 5 Sep 88 p 12

[Excerpt] Authentic Radical Liberal Party Leader Hermes Rafael Saguier, who was arrested on 3 September at 1800 at the Puerto Falcon customs office, was released on the same day at approximately 2100, although he was stripped of several documents and personal cards of lawmakers who attended a recent Latin American Parliament meeting in Buenos Aires.

Saguier said: "I was held for 3 hours, and three policemen forcefully took my documents, some recordings, and cards with lawmakers' addresses at the San Ignacio de Loyola border checkpoint." [passage omitted]

Judge: Taylor Should Give Traffickers Names

PY0209175388 Asuncion HOY in Spanish 2 Sep 88 p 19

[Quotation marks as published]

[Excerpts] "If [U.S. Ambassador] Mr Taylor knows who the main people responsible for cocaine trafficking are, I believe that he, in his capacity as an honest citizen, should report the names to the court. Anyone can—and for that matter everyone must—report such information to the court, because drug trafficking is a public offense."

This statement was made to HOY by Dr Pablo Vicente Ibarra, criminal judge of the seventh chamber, who is investigating the discovery of some 268 kg of cocaine in Asuncion last month. The judge thus referred to statements by U.S. Ambassador Clyde Taylor, who said he does not agree with what the courts are doing in the affair, especially because only the so-called "mules" are being arrested, and not the bosses, who, according to Taylor, are still at large.

In another part of the interview, Dr Vicente Ibarra said: "If the main ones responsible are in the United States, I believe this falls under the jurisdiction of the U.S. police. We cannot interfere with another country's affairs because we are respectful. We can send rogatory notes requesting information or other types of action. We can also resort to Interpol. If the main bosses are in the United States—as can be concluded from what is known so far—this falls under the jurisdiction of the U.S. police. [passage omitted]

"It should be also understood that no one has the right to tell us how to do our work, because ours is a free country and we work within our own law. "We should learn to react in order to avoid being disrespected by people who want to set guidelines for our behavior." [passage omitted]

Peru

More New Cabinet Appointments Reported

PY0209191088 Lima Television Peruana in Spanish 1835 GMT 2 Sep 88

[By Oscar Eduardo Bravo]

[Excerpts] [Bravo] We have just been informed about the appointment of a new justice minister. He is Cesar Delgado Barreto, who is replacing Camilo Carrillo, who has himself been appointed the new minister of transportation and communications.

Jose Carlos Carrasco Tavara, the new minister of energy and mines who was just named by President Alan Garcia, is here with us. [passage omitted]

Can you confirm to us the information we just received?

[Carrasco] Yes, I know that Ivan Garcia is the new industry minister, Camilo Carrillo is the new transportation and communications minister, and Cesar Delgado Barreto is the new justice minister.

[Bravo] Are these the only changes in the cabinet?

[Carrasco] Yes, that is what we know so far. [passage omitted]

Ministers Sworn In

PY0309004588 Lima Domestic Service in Spanish 2325 GMT 2 Sep 88

[Swearing-in ceremony of new cabinet members at the Golden Hall in Government House in Lima—live; brodcast in progress]

[Excerpts] [President Alan Garcia] [Passage omitted] My fellow partisan and friend Abel Salinas Izaguirre, do you swear to God and on this bible to loyally fulfill your duty as minister state at the Economy and Finance Ministry to which I have appointed you?

[Salinas] Yes, I swear.

[Garcia] If you do so, let God reward you; if not, God and the fatherland will judge you, but we have faith in you. [applause]

[Reporter] Abel Salinas Izaguirre has thus been sworn in as the new energy and mines minister [as heard]. It should be pointed that he was previously the energy and minister and at the beginning of this administration he was the interior minister. [passage omitted]

[Announcer] Supreme Resolution No 214-88-PCN, Lima, 2 September 1988. Following the proposal made by the president of the Council of Ministers in compliance with Article 216 of the Peruvian Constitution and the agreement reached, it is hereby established:

Article 1: To name Cesar Delgado Barreto justice minister as of today. So be it ordered. Signed by the president of the Republic and ratified by the president of the Council of Ministers. [passage omitted]

[Reporter] The new justice minister, Cesar Delgado Barreto, has thus just been sworn in. He is a member of the Christian Democratic Party. [passage omitted]

[Announcer] following the proposal made by the president of the Council of Ministers in compliance with Article 212 [as heard] of the Peruvian Constitution and the agreement reached, it is hereby established:

Article 1: To name Ivan Garcia Cabrejos as new industry, commerce, tourism and integration minister as of today. So be it ordered. Signed by the president of the Republic and ratified by the president of the Council of Ministers. [passage omitted]

Supreme Resolution No 208-88-PCN, Lima, 2 September 1988. Following the proposal by the president of the Council of Ministers in compliance with Article 216 of the Peruvian Constitution and the agreement reached, it is hereby established:

Article 1: To name Jose Carlos Carrasco Tavaras energy and mines minister as of today. [applause] [passage omitted]

Supreme Resolution No 216-88-PCN, Lima, 2 September 1988. Following the proposal made by the president of the Council of Ministers in compliance with Article 216 of the Peruvian Constitution and the agreement reached, it is hereby established:

Article 1: To name Camilo Carrillo Gomez transportation and communications minister as of today. So be it ordered. Signed by the constitutional president of the Republic and ratified by the president of the Council of Ministers. [passage omitted]

[Reporter] Camilo Carrillo has thus just been sworn in as the new transportation and communications minister. It should be pointed out that Carrillo was the justice minister before his new appointment.

As a consequence, we have five new ministers, two of whom were already members of the Council of Ministers headed by Armando Villanueva del Campo, senator of the Republic and minister of the Presidency. [passage omitted]

Garcia Speaks

PY0309165188 Lima Domestic Service in Spanish 1200 GMT 3 Sep 88

["Excerpts" of speech by President Alan Garcia at a swearing-in ceremony for new cabinet members at Government House in Lima on 2 September—recorded; broadcast in progress]

[Excerpt] ...to stop the escalation of inflation at any price, to reduce the fiscal deficit, and to correct the existing imbalances. (?In this way) we intend to protect the economy of the poorest strata of society in the medium and long terms. This is our objective.

After having obtained a remarkable economic growth, some managerial instruments that were positive during the reactivation and redistribution stages have become negative factors and must now be modified. These instruments have really become negative factors now that the inflation rate is high. These instruments must be deeply and drastically modified, and the people realize and understand that. The people are aware that a low dollar exchange rate and low interest rates bring benefits only to small groups and must be readjusted. The people realize that these readjustments may create temporary problems, but will make the economic life of the majority of the people, who live on their salaries, more secure and stable.

This is our current objective. We have a plan, which was prepared by our fellow party member Cesar Robles. All we have to do now is to implement it with firmness. [passage omitted]